

Audit's® NEWS ANALYSIS OF SECURITIES OF REAL ESTATE INVESTMENT TRUSTS

Realty Trust Review

February 9, 1979

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VOL. X, No. 3

RELATIVE APPEAL RANKING AND ADVISORY ISSUE

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INVESTMENT POLICY: RECOVERY STOCKS FAVORED AMID MARKET UNCERTAINTIES

There appears to be an enormous reservoir of speculative money willing to seek major capital gains in the depressed and recovering realty trust stocks.

We point this out because it's easy to become so obsessed with the downward pressure on the Dow-Jones Industrials and the very large looming economic uncertainties -- Iranian oil, higher money costs -- that you can miss the strength in REIT stocks. Our check point is stock price, and the strength becomes clear when we compare prices two months ago, in the Dec. 8 Relative Appeal Ranking issue, with quotes in this issue.

There have been some major percentage moves in that short span: Mission Inv. up 65%; Republic Mtg., up 50%; UMET Trust, up 80%; Moraga Corp. up 47%; Capital Mtg. up 51%; First of Denver Mtg. up 47%.

You get the idea. Frankly, we don't know where lightning will strike next so we focus upon stocks the big block buyers (see list Jan. 12 issue) seem to favor: Fairly clean balance sheets, low or falling bank debt, and a play on properties. So we're looking for stocks before the block buyers drive up their prices, although big block buyers aren't fatal to our choice. Thus we list six non-div-

idend payers among the No. 1 Ranked trusts on p. 2; all strike us as sound speculations where alert managements seek to make things happen.

But many of the No. 2N - Above
(Cont. on p. 2)

IMPORTANT REVISIONS IN THIS ISSUE

We list below the stock reviews containing important new text or financial data since our last Relative Appeal issue Dec. 8. See p. 2 for Ranking changes and No.1-Rankings.

Amer. Fletcher MI	First Union RE
Amer. Realty	Florida Gulf Rl.
API Trust	GMR Properties
Atlanta Nat. RE	Grt. Amer. M&I
Baird & Warner M&R	Growth Realty
Barnes Mtg.	Hanover Sq. Rlty.
BT Mtg. Inv.	Hospital Mtg.
Builders Inv. Gr.	Hotel Investors
Capital Mtg. Inv.	ICM Realty
Chase Man. M&R	IDS Realty
C.I. Mtg. Group	Independence Mtg.
Cit. & So. Rlty.	Institutional Inv.
CleveTrust Rlty.	Mission Inv. Tr.
Compass Inv. Group	Moraga Corp.
Cont. Ill. Props.	Mtg. Tr. Amer.
Cousins Mtg. & Eq.	NJB Prime Inv.
Dominion M&R	No. Amer. Mtg.
Equit. Life Mtg.	PNB Mtg. & Rlty.
Fidelco Growth Inv.	San Fran. RE
First Denver MI	Security Mtg.
First Memphis Rl.	Sutro Mtg. Inv.
First Mtg. Inv.	UMET Trust
First Newport Rl.	U.S. Realty

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PUBLISHED TWICE MONTHLY ON THE SECOND AND FOURTH FRIDAYS. SUBSCRIPTIONS \$148 ANNUALLY. SINGLE COPY \$10 (RELATIVE APPEAL \$20). BACK ISSUES \$1.50 TO SUBSCRIBERS ONLY. GROUP RATES ON REQUEST.

Individual portfolio consultation \$175 hr. to subscribers, \$250 nonsubscribers

Average but no dividend are just as likely to become targets for block buyers, so you should check that list closely.

At the opposite end of the spectrum you should look for the No. 5s, which are recommended for sophisticated investors who can understand the special risks involved. Case in point: American Realty. We dropped it to No. 5 because Chase Bank has gotten a \$2 million judgment against it, some banks have called their loans, & indenture trustee for one bond issue has sued for payment. Worse, a second bond issue matures March 15. It seems a classic case of illiquidity, with asset values valid but cash to meet maturing debt short.

Two other special buying opportunities may open on adverse news, and we outline them under Florida Gulf and North American Mtg. reviews in this issue.

EXCHANGING SHARES WHEN MARKET PRICE IS BELOW BOOK VALUE: A FOLLOWUP

Last issue we commented briefly that exchanges of REIT shares for assets was rare and cited REIT of America as an exception. Our reason: REITA had exchanged shares for properties in 1968 and 1973 when its shares sold well below book value.

But REITA says recipients of the shares agreed to accept them at book, not market, value and as a result REITA book value was not diluted. So the market-book gap can be bridged.

NO. 1 RANKED TRUSTS THIS ISSUE

<u>Dividend payers</u> (13)	<u>No dividend</u> (7)
BankAmer. Rlty.	First Memphis
Conn.Gen. M&R	GMR Properties
Cont. Ill. Prop.	Inst. Investors
Federal Rlty.	Moraga Corp.
Fla. Gulf Rlty.	Mtg. Tr. Amer.
GREIT Realty	Security Mtg.
Hospital Mtg.	Texas First Mtg.
Hotel Investors	
MassMutual M&R	
Mtg. Growth Inv.	
Pacif. So. Mtg.	
Penn. REIT	
United Realty	

RANKING CHANGES IN THIS ISSUE

INCREASES

Amer. Fletcher MI: 5N to 4N on hopes a master asset swap may restore positive book value & clean balance sheet.
 API Trust: 3N to 2N on expectation sponsor Arlen Realty will restructure debt.
 BT Mtg. Inv.: 3N to 2N on our sense of major asset swaps ahead to restore positive book value.
 Capital Mtg.: 3N to 2N on benefits of proposed merger with stronger company.
 C.I. Mortgage: 4N to 2N as completion of massive asset swaps with banks now make shares sell at good discount to positive book value & clean balance sheet.
 Dominion M&R: 5N to 3N on restored earnings and expectation of satisfactory Ch. XI plan approval.
 Fidelco Growth: 4N to 2N on cutting problem assets via swaps and deciding to become independently managed.
 First Memphis: 2N to 1N because market price doesn't yet reflect fully the book value gains via asset swaps.
 First Mtg.: 5N to 2N, a speculation on management ability to sell enough assets to repay \$192 million in 18 mon.
 First Newport: 3N to 2N on expectations it will repay debt maturing May 15.
 GMR Properties: 2N to 1N, on debt restructuring letting management now seek acquisitions to use taxloss.
 Hospital Mtg.: 3 to 1 because new debt pact cuts interest rate exposure.
 Hotel Investors: 3 to 1 because we smell a merger in the making.
 IDS Rlty.: 4N to 3N on asset improvement.
 Inst. Investors: 2N to 1N on debt restructuring freeing management to seek deals.
 Moraga Corp.: 3N to 1N because refinancing of debt speeds acquisition search.
 PNB Mtg. & Rl.: 3 to 2 on property sale removing major earnings drag.
 REIT of Amer.: 3 to 2 on improving asset yields and discount from book.
 Realty Income: 3 to 2, for spec. yield & potential asset improvement.
 Walter Rlty.: 3N to 2N on expectation of improving EPS & possible acquisitions.
 Wells Fargo M&E: 3 to 2 on discounting of interest rate vulnerability.

DECREASES

Amer. Rlty.: 3N to 5N on fear creditor pressures may push into bankruptcy.
 Mission Inv.: 2N to 3N as recent price runup makes stock look high.

Relative Appeal (RA) Rankings, shown at extreme left, give Audit Investment Research's current view of relative attractiveness of new share purchases. All trusts are ranked from No. 1 to 5 based on individual dividend and earnings outlook compared to the overall market. Non-dividend paying trusts are shown with an "N" beside their rankings. Each summary contains brief advice and comment. Changes in rankings are indicated by UP and DOWN. Relative Appeal Rankings mean:

- 1--Highest appeal with lowest market risk; Dividend and earnings outlook stable to up.
- 2--Above average appeal, higher market risk; Dividend increases or resumption possible.
- 3--Average appeal and market risk; Dividend fluctuates or resumption possible long-term.
- 4--Below average appeal, high market risk; Dividend cuts or omissions possible.
- 5--Least general appeal; Special problems suitable for sophisticated investors only.

NON-DIVIDEND PAYING trusts are not recommended for income investors but may have trading appeal as speculations upon quick or large price moves on asset swaps, money market or other news.

All numbers are amounts per share except those denoted "M" or "T" for million and thousands respectively. E or Est.=Estimates for current or next years. EPS=Earnings per share. CFS=Net cash flow per share as computed by Audit Inv. Res. d=Deficit. Data, rankings and advice reviewed bimonthly. See footnotes at end of Rankings on Page 16 for important information on Tax status, Taxloss, Depreciation, Net Cash Flow. *Priced Jan. 26; all others Feb. 6. FY=Fiscal year.

3N-AMER CENT: \$3.63 (ACT-NYS) Comment: Hold, recovery & improving props. Higher inter. may widen '79 loss. (Shs: 2607T, Book \$5.13). Bonds: Speculative yield. Intangibles: Loss res.\$5.92; Taxloss \$8.94. Assets: \$100M, 16% non, 37% low-earn; 69% forecl.; Mix: 33% office, 19% hotel, most Wash. D.C. Financing: \$72M debt is 5.2X \$14M equity. \$56M bank debt extended to 12/81 @ prime to 10% maximum. Recent

EPS:	Sept.	Dec.	Mar.	June	Year
FY'78..	d19c	d13c	d7c	9ca	d28ca
FY'79..	d7c	d17c			

a-Incl. 9c asset swaps.
(CAN END REIT: Life co. advisor)

2N-API TRUST: \$2.13 (APITS-OTC) Comment: Selling assets to pay debt; recovery spec. on restructuring of sponsor Arlen Realty. (Sh: 1012T, Book \$7.11) Intangibles: Loss res: \$3.73; Depr. \$2.64; Taxloss NR. Assets: \$39M, E19% nonearn. Approx. 18% inv. assets due from Arlen Rlty. Mix: 49% prop, most shop. ctrs; 11% financing leases, 40% mtgs. Sold 7 shop. ctrs, to sell 10 more. Financing: \$27M debt is 3.8X \$4.2M equity; Debt: \$19M mtgs. & \$8.4M bank.

EPS:	June	Sept.	Dec.	Mar.	Year
FY'78	3c	d7c	d47c	d55c	d1.07a
FY'79	32cb	d19cb			

a-Incl. 65c loss on asset sales. b-32c gains on asset sales.

(Advised by Sub. of Arlen Realty)

4N-AMER FLETCHER: \$1.75* (AFM-OTC) Comment: Boosted book and hi-risk spec. Clean balance sheet; No auditor opin. (Sh: 1352T; Bk 26c). Intangibles: Loss res. \$9.87; Taxloss: \$15.50. Assets: \$44M, 84% non-& low-earn; 65% forecl. Mix: 48% land/dev., heavy Fla. Financing: \$27M bank debt is 76X \$0.4M equity. \$20.7M bank debt to 12/31/82 accrued at 4% inter., 2% cash + conting. 114% prime.

EPS:	Apr.	July	Oct.	Jan.	Year
FY'78	d74c	d66c	d69c	1.06a	d1.03a
FY'79	67cb	42cb	d4cb		

a-89c interest forgiveness. b- Asset swaps & NOL totaling \$1.15 in 9 mos.
(NON-QUAL TRUST: Indiana bank advisor)

2N-ATLANTA NAT: \$4.75 (ATNAS-OTC) Comment: Still room at 47% below book; Balter-Rubin group w/ 17% of sh. took board seats in Oct. (Sh: 1273T, Bk \$8.96) Intangibles: Loss res: \$3.79; Taxloss \$7.86. Assets: \$24M, 56% nonearn, 35% forecl., rest mtgs. Mix: 27% apts., 17% land, 18% condo; 34% TX, 37% Fla. Financing: \$6M debt (all bank) is 0.6X \$11M equity; Bank debt at 115% of prime; Assets pledged.

EPS:	Nov.	Feb.	May	Aug.	Year
FY'78	d12c	d4c	24ca	d1c	6ca
FY'79	d3c				

a-Incl. 11c inter. reversal & 2c taxloss.
Est: Small profit FY'79. (NON-QUAL TRUST; to become self-administered 3/31/79.)

5N-AMER REALTY: \$2.00* (ARB-OTC) Comment: Sophisticated spec. only on restructuring; Asset values appear valid but liquidity poor. (Sh: 2222T, Book \$3.71) Bonds: Missed 5/78 int. on 7% converts & Indenture Trustee seeks judgment; \$3.5M of 9 $\frac{1}{2}$ % debs. due Mar. 15 + may seek extension/refinancing. Intangibles: Depr.\$3.55; Loss Res: 52c; Taxloss: 72c. Assets: \$36M, 37% nonearn. Mix: 74% prop. incl. 40% hotels Wash.D.C. area, 29% land. Optioned Atlanta hotel site for \$1.63/sh. gain. Financing: \$26M debt is 3.2X equity; Converted \$4.8M demand debt to mtg; Remaining \$6M being restructured. Interest exposure now low. Earnings: Sep. FY 79c incl. 38c tax benefit & 57c sale gain. (FY Sept.; NON-QUAL TRUST: Self-administered)

2 -BAIRD & WAR: \$9.25 (BAIDS-OTC) Comment: Buy/hold for recovery to book. Stockbroker Icahn Co. bought 25% of sh. & seeks bd. seat. (Sh: 1043T, Bk \$15.85) Converts: LT yield. Intangibles: Loss res. \$2.85; Depr. \$1.28. Assets: \$51M, 20% nonearn, 4% forecl. Making new commitments. Mix: 38% investment prop, mostly apts., & 59% const. loans; Most nr Chicago. Financing: \$31M debt is 1.9X \$16M equity; Borrows \$17M at prime w/\$28M bank lines w/sponsor providing comp. balances; 1% prime = 4c/sh. qtr.

EPS:	Oct.	Jan.	Apr.	July	Year
FY'78	d3c	d59c	d8c	d23ca	d93ca
FY'79	d1c				

a-Incl. 5c asset sale gains.
Est. FY'79 better. Div: Paid 5c Dec. (Chicago mtg. banker advisor)

1 -BANKAMER RL: \$11.63 (BRLTS-OTC) Comment: Buy/hold for 32% recovery to book. (Sh: 3547T, Book \$16.99) Converts: Yield. Intangibles: Loss res. 97c; Depr. 90c. Assets: \$168M, 17% non- & low-earn. Mix: 41% prop, 26% apts, 32% shop.ctr. Combines land/lease & LT mtgs. Financing: \$109M debt is 1.8X \$60M equity. Debt: \$48M comcl. paper, \$9M bank short.

EPS:	Oct.	Jan.	Apr.	July	Year
FY'78	1.41a	18c	31c	37c	2.27a
FY'79	32c				E1.00+

a-Incl. \$1.46 gain on asset sale.

Div. Oct. Q 25c; \$1.00 ann. rate; '78 pay-out 78% cap. gain. (Advised by sub. of largest U.S. bank)

3N-BARNES MTG: \$2.63 (BARN-OTC) Comment: Average recovery spec.; book eroding by high costs of selling condos. (Sh: 1910T, Book \$10.32) Intangibles: Loss res.\$1.44; Taxloss \$8.31. Assets: \$78M, 77% nonearn, 47% forcl. Mix: 44% condos, 32% land/devel.; 43% Fla., 32% Puerto Rico. Financing: \$52M debt (all bank) is 2.6X \$19.7M equity. Debt at 125% of prime to 12/80; Missed repayments & talking.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'77	d31c	d26c	d30c	d60c	d1.47
FY'78	d19ca	d20ca	d23ca	d78ca	d1.40a

a- 93c asset sale gains + 20c swap gains. See more losses. (NON-QUAL TRUST; Detroit mtg. banker adviser)

2N-BAY COLONY: \$3.75 (BAY-NYSE) Comment: Long-term recovery spec.; Sold \$51M assets in Nov. Q. (Sh: 3315T, Book \$6.50) Bonds: Hold. Intangibles: Loss res.\$4.28; Taxloss \$8.20. Assets: \$151M, 59% non-earn, 10% low-earn. 36% held for sale; Mix: 19% apts., 33% land; Developing land. Financing: \$122M debt is 5.7X \$21½M equity. Bank debt \$23M at 3% due 2/81 & \$63M at 8½% due 5/86.

EPS:	Aug.	Nov.	Feb.	May	Year
FY'78	d1c	d7c	7c	d7c	d8ca
FY'79	7cb	31cb			

a-18c swap gains; b-85c asset sale gains in 6 mos.

(NON-QUAL TRUST: Self-administered)

3N-BRT RLTY: \$2.00 (BRT-ASE) Comment: Long recovery; Broker Brent Baird bought 5%. (Sh: 1400T, Bk \$2.70) Intangibles: Loss res.\$2.49; Taxloss \$2.72. Assets: \$22M, 71% nonearn; 44% hotel. Financing: \$15M debt is 4.0X \$3.8M equity. \$9M bank debt ½% over prime to 7/81.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'78	d5c	26c	31c		

(NJ realty broker adviser)

2N-BT MTG INV: \$1.38 (BTM-NYS) Comment: Spec. on swap gains restoring positive equity. (Sh: 2116T, Bk d\$3.37) Bonds: Risky hope assets recover by '82, Intangibles: Loss res.\$10.30; Taxloss \$6.57. Assets: \$119M, 71% nonearn, 36% forecl. Mix: 30% apts., 15% motel, 10% nursing home. Financing: \$104M debt over d\$7M neg. e-quity, \$84M bank credit extended to 2/28. Paying 6%; Sponsor lends 63% of credit.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'77	0c	d21c	d26c	d31c	d78ca
FY'78	d5cb	31cb	d14cb	d47cb	d35cb

a-15c asset sale gains. b-\$1.20 asset swap gains + 31c asset sale gains.

(CAN END REIT; Advised by sub. of Bankers Trust, NYC bank)

4N-BUILDERS INV: \$2.13 (BULDS-OTC) Comment: For believers; long recovery. Will issue 1M wts. exer. @ \$1.72 to settle class action; wts. redeemable @ \$1.40 in '82. (Sh: 2929T, Bk 4c) Intangibles: Loss res. \$7.89; Taxloss \$15.88. Assets: \$137M, 67% non, 17% lowearn; 29% condo, 24% land. Financing: \$112M debt is 869X \$0.1M net equity. \$86M bank debt at 2% to 9/79; 3% & higher after to '83. Assets pledged; Seeks stretch of \$40M in '79 repayments & will swap more assets. Earnings: Sep. Q d20c after \$2.62 swap gain; Sep. FY \$1.72 after \$5.98 extraord. gains. (FY Sept.; NON-QUAL TRUST; Self-adm.)

2N-CAMERON-BR: \$3.25 (CB-NYSE) Comment: Trading or LT recovery spec.; Clean balance sheet & 54% below book; Asset swaps may halt bleeding. (Sh: 2016T, Book \$7.14) Intangibles: Loss res. \$6.09; Taxloss \$2.38. Assets: \$84M, 50% non- & 31% low-earn; 71% forecl. Mostly resid. in Southeast; 35% apts., 30% land & devel. Financing: \$61M debt is 4.3X \$14M equity; \$53M bank debt at 3% or net income to 12/79; No sub. debt; \$7M interest notes.

EPS:	Mar.	June	Sept.	Dec.	Year
1977	d34c	d33c	d38c	d48c	d1.58
1978	d25ca	d11ca	9ca		

a-Incl. 1.49/sh. swap gains thru Sept. Sold apt. in Oct. for 55c gain + cut bank debt to \$47M. (NON-QUAL TRUST: Advised by N. Carolina bank.)

2N-CAPITAL MTG: \$1.13 (CMU-PH) Comment: Spec. buy on potential benefits of proposed merger into Columbia Corp., Md. S&L holding co. controlled by trust officers & trustees. (SH: 1675T common, Bk d\$1.24) Pfd.: 469T sh. issued to banks.

Converts: Spec. yld. Intangibles: Loss res. \$11.03; Taxloss \$13.01. Assets: \$60M, 56% nonearn, 43% forecl. Mix: 36% land (being developed), 19% hotel/motel, 31% LT mtgs. 55% Wash.D.C. area. Finances: \$46½M debt over d\$2M net equity; \$32M bank debt at 3%.

EPS:	Mar.	June	Sept.	Dec.	Year
1977	d79c	40c	d1.78	11c	d2.06a
1978	49ca	d55ca	d1cb		

a-Swap gains: \$1.52 in '77; \$1.05 in '78 to date. b-Sale gains: 21c to date '78.

(NON-QUAL TRUST; Independent)

2N-CENTRAL MI: \$5.88 (CMRTS-OTC) Comment: Buy/hold at 54% below book; operating breakeven & selling land; Rejected one merger overture but still buyout. (Sh: 775T, Book \$12.81) Intangibles: Loss res. \$1.03. Assets: \$17M, 22% non- & 18% low-earn; 34% forecl. 38% apts., 31% land; most Midwest. Financing: \$7M debt (93% bank) is 0.7X \$10M equity. \$9M bank credit to 4/79 at 117% of

prime permits new loans; No subor. debt.

EPS: June Sept. Dec. Mar. Year
FY'78 d39c d15c 4c 3c d47c
FY'79 26ca 54ca

a-Incl. 54c asset sale gains in 6 mo.
(Advised by Minneapolis mtg. banker)

5N-CHASE MAN: \$1.00 (CMR-OTC) Comment: Avoid or sophisticated spec.; Massive dilution under proposed Ch. XI plan. (Sh: 4886T, Bk d\$6.00) Bankruptcy: To seek subor. debt approval of revised Ch. XI plan to exchange new Ser. A pfd. w/\$30.75 liquidating value & convt. into 24½ sh. or potential 46.9M new sh. Would repay defaulted 7-7/8% sr. notes at 90% of par + 7 pfd. (E\$1070 tot.value) & swap assets for \$150M bank debt, issuing 5.2M new sh. to banks. All subor. debt wld get \$150 cash + 20 pfd. (E\$640 tot.value). New voting lineup: Subor. debt 68%; banks 10%; current shares 10%. Filing proxy & expects vote early 1979. If Oked, trust wld keep 2,700-acre Palmas del Mar resort in PR & 3 other assets w/\$50M value (or 96c/sh. on potential sh.) Intangibles on current sh: Taxloss \$8.90; Loss res. \$5.59.
EPS: Aug. Nov. Feb. May Year
FY'78 39c d1.69 d1.37 d1.26 d3.93a
FY'79 d97b d1.21

a-Incl. \$1.83 swap & extra gains. b-16c asset sale gains.

(NON-QUAL; Sponsor Chase Bank walking)

2N-CI MTG GR: \$3.50 (CI-PH) Comment: Trading spec.; banks restored positive equity by completing swaps in Dec. for \$9.18/sh. gain; More swaps coming. (Sh: 4812T, Book \$5.82) Intangibles: Loss res.\$4.57; Taxloss \$11.64. Assets: \$125M, 41% non-& 52% lowearn, 68% forecl.; 49% apts., most Northeast. Financing: \$85M debt is 3.0X \$28M equity after Dec.'78 swap; \$77M bank debt secured & inter. notes accruing at 5% to 10/82. Swapped \$144M bank debt in Dec. for \$100M net book value of assets, for \$44M gain.

EPS: Jan. Apr. July Oct. Year
FY'77 23ca d31c d39c d1.50 d1.97a
FY'78 d35c d24c d23c d.03 d0.85

a-49c asset swap & taxloss gain.

(NON-QUAL; advised by sub. of City Investing)

2 -CI REALTY: \$13.75 (CIX-NYSE) Comment: Resumed dividend at 10c; Merger and/or liquidation spec. on improving NYC offices; 12% of stock bought by outsiders (Tamco) & 15.6% by adviser. (Sh. 2609T, Book \$16.58) Intangibles: Depr. \$5.06; Taxloss \$2.53. Assets: \$103M, 4% nonearn; 93% props. Mix: 48% NYC offices, 41% apts. Financing: \$67M mtg. debt is 1.6X \$43M equity. Mortgaged offices & repaid banks. No int. rate exposure.
EPS/CFS May Aug. Nov. Feb. Year
FY'78 d14/+2c d13/+2 d8/+7 13/27a d22/38a
FY'79 d8/+8 d9/+12 1/24

a-Incl. 23c prop. sales gain.

Div: Resumed. Pd 10c 1/79. (NON-QUAL: Advised by sub. of City Investing)

NR-CITINAT DEV: \$7.88* (OTC) Comment: Intends to dispose of assets and distribute proceeds to shareholders. (Sh: 600T, Book \$13.63)

3N-CIT & SO RL: \$1.50 (CZS-NYSE) Comment: Recovery spec.; swaps & restructuring gave positive equity. (Sh: 3829T, Book \$1.91; 12,964T reserved for wts.) New 3%/7% debent. & Ser. B wts. now listed on PSE. Intangibles: Loss res. \$6.53; Taxloss \$17.41. Assets: \$135M, 33% nonearn; Swapped \$75M to banks. Mix: 31% apts., 19% land, 18% shop. ctrs.; 41% GA, 27% TX. Financing: \$120½M debt is 16.5X \$7M equity. \$76.6M bank debt accrued at 2% inter. to 9/82.
EPS: Sept. Dec. Mar. June Year
FY'78 d3c 16c d20c d21c 33cb
FY'79 1.77a

a-After \$1.86 swap gains. b-After 45c swap gains; Quarterly figures do not add. All share amts. on primary shares, which vary widely with market price.

(NON-QUAL: To change name & become self-adm. by 3/31/79.)

3N-CIT GROWTH: \$4.00 (CITGS-OTC) Comment: Hold for moderate recovery; Broker Brent Baird now owns 23% of sh. (Sh: 811T, Bk \$6.85) Intangibles: Loss res.\$2.22; Taxloss \$7.68. Assets: \$9M, 53% nonearn, 22% foreclosed. Mix: Heaviest motels & land. Financing: \$2.1M debt is 0.4X \$5.6M equity. \$1.2M bank credit to 7/80 at 5%; Sold land Jan. Q & reduced bank debt to \$974T @ 4%. Assets pledged. Earnings: Oct. Q 2c. (FY Jan.; NON-QUAL; Adv. by independent Cleveland group)

5N-CITIZENS MI: 38c* (CZM-OTC) Comment: Avoid; in Ch. X. (Sh: 1421T, Book d\$17.17) Notes: 8½s of '80 sophisticated play on possible ruling former bank sponsor must pay in full; otherwise not much left if banks get full payment under Ch. X "absolute priority" rule. Bankruptcy: Filed Ch. X Oct. 5, 1978 after note trustee Chemical Bank called 8½% notes; 8½s were in default since 10/15/76.
EPS: Mar. June Sept. Dec. Year
1978 d56c d45c d15c
No auditor's opinion '77. Intangibles: Loss res. \$14.22; Taxloss \$11.68. (NON-QUAL TRUST: Self-adm. 1/79; run by court appointed trustee)

2 -CLEVETRUST: \$4.75 (CTRI-OTC) Comment: Buy/hold long-term at 55% below book; Resumed div. @ 20c/yr.; '79 EPS down unless assets sold. (Sh: 2525T, Book \$10.71) Intangibles: Loss res. \$2.96; Depr. \$1.95; Taxloss \$3.52. Assets: \$88M, 37% non, 18% low-earn; 50% forecl. Mix: 66% props. incl. forecl; 28% apts., 48% comcl. & office, 18% land. Financing: \$53M debt is 2.0X \$27M equity. \$28M bank debt extended to 1/31/79 at prime, not over 7½%.
EPS: Dec. Mar. June Sept. Year
FY'77 d18c d14c d20c d69c d1.20
FY'78 d1ca 73ca d17c 22ca 0.88a
a-\$1.48 asset sales gains & 42c taxloss benefits in FY'78. Dec.'78 Q EPS: 2c.
(NON-QUAL TRUST: Adv. by Cleveland bank sub.)

2N-COLWELL MTG: \$1.88 (CLMTS-OTC) Comment: Buy/hold for moderate LT recovery; New pfd. favored, has \$7.50 liquidate value. (Sh: 2030T com. + 2149T pfd., Book \$2.74 combined) Bankruptcy: Pre-approved Ch. XI Apr.'78 paying cash & pfd. for old sub. debt; Banks get 8% int. & asset

pledge. Intangibles on total sh: Loss res. \$4.08; Taxloss \$7.90. Assets: \$119M, 26% non-, 11% low-earn; 37% foreclosed & refinance; 35% apts., 19% hotel/motel, 21% shop.ctr. Financing: \$94M debt is 8.2X combined \$11½M equity. \$92M secured bank debt @ 8%.

EPS:	Mar.	June	Sept.	Dec.	Year
1978	d25c	6.12a	d1.12a		

a-Incl. \$5.00 gain on bankruptcy stlmt.
Est: Elimination of subor. debt interest to aid results. (Adv. by LA mtg. banker)

2N-COMPASS INV: \$1.38 (CMPSS-OTC) Comment: Bonds restructured; Holders Joe Akerman/John Wertin converted to 46½% of sh. & seek control. (Sh: 3067T out; Book p\$4.00) Intangibles: Loss res. \$3.42; Taxloss NA on sh. out. Assets: \$41M, 71% nonearn, 60% forc1. Mix: 38% apts., 31% land, most Fla. & Ga. Financing: \$25M debt over \$9M equity (9/78); Repaid all bank debt 8/78. 8½% Bonds: Paid back inter.; \$16.4M convt. into 12,175T sh. at \$1.35 after 12/78 adjustment.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'78	3c	d77c	55ca	2.99a	3.40a

a-Incl. \$2.48 asset swap gains; EPS on primary sh.; Yr. \$2.99 diluted.
(NON-QUAL TRUST; Was Barnett-Win.; Self-adm)

1 -CONN GEN: \$18.13 (CGM-NYSE) Comment: Buy/hold long-term for equity buildup. (Sh: 5720T, Book \$18.86) Converts: Safe yld. Intangibles: Loss res. 92c; Deprec. \$1.61. Assets: \$330M, 3% non-, 10% low-earn; 5% foreclosed; Expanding properties, now 41%. Mix: 37% regional shop.ctr., 31% resid. Financing: \$225M debt is 2.1X \$108M equity. Only \$2M short-term debt; \$90M term debt mostly at 8.75%, plus \$56M mtgs; \$78M convt.

EPS/CFS:	June	Sept.	Dec.	Mar.	Year
FY'78	46/55c	39/52c	32/44c	33/44c	1.50/1.95
FY'79	30/50ca	29/52ca	29/	a	E1.30/2.00

a-Asset sale gains: 17c in 9 mos.
Div: Dec. Q 45c, \$1.80 ann. rate.
(Major life ins. co. adviser)

4 -CONSOL CAP RL: \$26.00 (CCPLS-OTC) Comment: For speculative income, over book; '77 div. 25% cap. gains & 75% taxfree cap. return. (Sh: 1989T, Book \$17.20) Intangibles: Deprec. \$7.46. Assets: \$130M, all properties, 0.8% nonoperating. Mix: 82% apts. w/8,440 units; 16% shop. ctrs.; 51% Texas. Financing: \$94M debt is 2.7X \$34M equity. Debt: \$92M secured mtgs., \$2.3M bank.

EPS/CFS:	Feb.	May	Aug.	Nov.	Year
FY'78	d24/29	d9/45	93/1.44a	d7/45	53c/2.63
FY'79	3/56a	d7/42	d19/31c		

a-Asset sale gains: \$1.20 Aug'77; 6c Feb'78.
Div: Jan. mon. 17.17c or \$2.06 ann rate.
(Managed by Oakland, Cal. realty group; Sponsors offering new Con. Cap. Income Trust shs.)

1 -CONT ILL PR: \$16.38 (CIE-NYSE) Comment: Cash flow rising on bigger assets; Buy/hold for yield & LT gains. (Sh: 4808T, Book \$19.55) Intangibles: Deprec. \$3.86. Assets: \$268M, 0.2% nonearn; Mix: 97% property, 3% mtg; 34% apts., 30% shop ctrs., 24% offices.

Large Fla. land loan repaid.

Financing: \$180M debt is 1.9X \$94M equity.

Debt: \$170M mtgs. & \$10M bank loans.

EPS/CFS	Jan.	Apr.	July	Oct.	Year
FY'77	20/36a	16/30	9/30	10/26	55/1.22
FY'78	14/33	10/31	9/34b	14/36b	47/1.34b

a-7c cap. gain. b-3c asset sale gain & 4c mtg. refinancing charge.

Div: Up to 34c in Dec., \$1.36 ann. rate
(Adv. by sub. of Cont. Ill. Bank, Chicago)

3N-CONT ILL RLTY: \$2.63 (CIR-NYSE) Comment: Speculative hold if sponsor buys \$35M assets in '79 to let trust repay bonds maturing 12/79; Success requires major asset liquidation. (Sh: 2797T, Book \$2.28) Intangibles: Loss res. \$12.34; Taxloss NR. Assets: \$134M, 53% forc1. 53% non & 22% low-earn; Mix: 31% land. Finance: \$91M debt is 14X \$6.4M equity. \$56M bank debt at 5% min. interest to 130% of prime to 11/79; Pledging assets; Sponsor agrees to buy \$35M assets if trust can repay \$55M to other banks by 11/79. Bonds: Speculation on fast liquidation.

EPS:	June	Sept.	Dec.	Mar.	Year
FY'78	0c	1.31a	66ca	d9c	1.87a
FY'79	d37c	61ca			

a-\$2.83 swap gains in '78 & 96c in '79.
(SEEK NON-REIT STATUS; Advised by Cont. Ill. Bank, Chicago, sub.)

4N-CONTL MTG: 20c (CMI-OTC) Comment: Shares & bonds high risk speculation that viable entity emerges from bankruptcy; creditors & mgmt. seem at impasse. (Sh: 20838T, Bk d\$6.65) Intangibles: Loss res. \$6.38; Taxloss \$7.68. Bankruptcy: Filed Ch. XI 3/8/76 & liquidation ordered but stayed by Ch. X filing 10/22/76; Ch. X filing denied & liquidation order overturned on appeal; Sub. noteholders organizing. Assets: \$570M, 93% troubled; selling condos & developing land. Finances: Owes \$561M & d\$139M negative equity; Earnings: Audited d\$2.78 in FY'78 after \$2.40 addition to loss res.; 9c in 4 mon. to 7/31/78.
(FY Mar.; NON-QUAL: Independent)

3N-COUSINS M&E: \$2.88 (CUZ-NYSE) Comment: Hold/sell sh. & bonds for possible benefits from pending diversification via merger into Newcorp, Inc. holding co. Fuqua Ind. to get 5-yr. option to buy 25% of Newcorp sh. at min. \$1.75/sh. (Sh: 3845T, Book \$1.23) Intangibles: Loss res. \$8.15; Taxloss \$12.90. Assets: \$130M, 74% nonearn; 69% forecl. Mix: 45% land/develop, 20% apts., 18% lodgings. Financing \$96M debt is 24.7X \$3.9M net equity. \$66M bank debt at income or 2%, plus contingent, to 12/79.

EPS:	Nov.	Feb.	May	Aug.	Year
FY'78	d10c	d17c	d5c	d1c	d33ca
FY'79	22cb				

a-Asset swap gains: 73c. b-22c swap gain. See \$1M gain in Feb. Q on hotel sale; also \$1.5M gain on agreed Tex. & FL land swap.
(NON-QUAL TRUST; Self-administered)

2 -DENVER RE: \$13.50 (DENVS-OTC) Comment: Buy/hold for income & possible buyout; '78 cash flow better. (Sh: 1101T, Book \$8.35) Intangibles: Deprec. E\$7.73. Assets: \$54M.

Mix by revenues: 48% office/comcl., 22% shop. ctrs., 14% motel, 12% apts.

Financing: \$44M debt is 4.7X \$9M equity. Debt: \$38M mtgs., \$5M debentures.

EPS/CFS Mar.	June	Sept.	Dec.
1977 d9/0c	d7/10c	18/32c	41/66c
1978 d5/21c	20/45c	25/51c	

a-Prop. sales gain: 11c in 1977.

Div: Dec. 18c; '77 approx. 50% taxfree. (Independent management)

2N-DIVERSFD MTG INC: \$3.63 (DMG-NYSE) Comment:

Buy under \$4 as merger or recovery spec.; MEI Corp. bought 7.4% of sh. (Sh: 7326T, Book \$8.44) Intangibles: Loss res. \$4.07; Taxloss \$4.94. Assets: \$133M, 82% nonearn, 30% forcl. Mix: 69% secondary & 10% primary homesites, 8% raw land. Financing: \$44M debt is 0.7X \$62M equity. Debt: \$42M from Cont. Ill. Bank; \$2M converts. Interest geared to prime & hurts EPS.

EPS:	Mar.	June	Sept.	Dec.	Year
1977	d39ca	17ca	d16ca	2.81a	2.43a
1978	16cb	d3c	d2c		

a-\$4.28 asset swap, NOL & refinancing gains. b-25c bank refinancing gain + 9c NOL.

(NON-QUAL CORP: Self-administered)

3N-DOMINION MR: 66c* (DMRTS-OTC) Comment: Shs.

& bonds hi-risk spec. on ok of proposed bankruptcy plan giving bond holders 71% of sh. (Sh: 639T, Bk d\$9.92) Bankruptcy: Filed Ch. XI 6/28/77. Plan pending. SEC seeks Ch. X. Intangibles: Loss res. \$5.62; Depr. \$2.88; Taxloss \$16.27. EPS: 89c in 6 mo. to Nov.

2N-EASTOVER CP: \$7½-9 (EASTS-OTC) Comment:

Speculation on more aggressive workout, merger deals under new mgmt. Bought 15% of Texas First Mtg. stock & 8% of ICM. (Sh: 1034T, Book \$11.86) Intangibles: Loss res. \$5.48; Taxloss \$9.77. Assets: \$19M, 64% non- & 14% low-earn; 61% foreclosed. Mix: 68% land; 49% La., 51% other South. Financing: \$3M debt (all fixed rate mtgs.) is 0.2X \$12M equity.

EPS:	Mar.	June	Sept.	Dec.	Year
1977	d43c	d32c	d20c	2c	d93c
1978	d6c	46ca	53ca		

a-Loss res. credit: 82c to Sept. '78.

(NON-QUAL TRUST: Jackson, MS broker Leland Speed heads new mgmt. group)

3 -EQUIT LF MTG: \$18.75 (EQ-NYSE) Comment:

Hold, EPS vulnerable; 1% prime=5c/sh. qtr. (Sh: 5663T, Book \$23.43) Intangibles: Loss res. 35c. Assets: \$388M, 8% nonearn; 32% long-term mtgs., 58% short-term const. & devel. loans; Expanding ST. Mix: 27% retail, 22% lodging, 14% land. Est. \$113M or 29% floats with prime. Financing: \$254M debt is 1.9X \$133M equity. Debt is \$231M short-term tied to prime & incl. \$122M comcl. paper. Bank lines \$200M.

EPS:	Jan.	Apr.	July	Oct.	Year
FY'77	59c	59c	60c	48ca	2.26a
FY'78	48c	46c	54cb	51c	1.99b

a-19c prepaymt. fee; b-5c sale gain.

Est: FY'79 EPS \$1.80. Div.: \$2.00 rate held. (Major life company adviser)

1 -FEDERAL RLTY: \$15.50 (FRT-ASE) Comment: Buy/hold for income & growth from prop. purchases; Plans buying 8 shop. ctrs. from Amterre Dev. if Food Fair bankruptcy doesn't upset deal; High operating return on property. (Sh: 1450T; Book \$9.77) Intangibles: Depr. \$3.57. Assets: \$39M, no nonearn; 99% props. w/cash flow: 74% shop. ctrs., 25% apts.; most Wash.DC area but diversifying. Financing: \$22.8M debt is 1.6X \$14M equity. Debt: 88% mtgs., 12% bank loans; Will borrow \$2M for Amterre deal.

EPS/CFS Mar.	June	Sept.	Dec.	Year
1977 30/32c	29/31c	27/29c	43/44c	\$1.29/1.36
1978 35/39ca	29/31c	19/25c		E1.25/1.25

a-Prop. sale gain 6c.

Div.: \$1.36 ann. rate. (Independent mgmt.)

2N-FIDELCO GROW: \$4.38 (FGI-ASE) Comment: Phila.

insur. man Sidney Baer bought 15% of sh. & seeks control. (Sh: 1580T, Book \$6.43) Intangibles: Loss res. \$10.25; Taxloss \$5.41. Assets: \$90M, 79% nonearn; 64% forcl. Mix: 31% land (developed & raw), 31% condos; 31% PA, 25% FL. Financing: \$587M debt is 5.7X \$10M equity. \$52M bank credit to 11/30/79 at 1% cash + earnings; Swapping.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'77	d1.52	d1.55	d2.33	d3.94	d9.34
FY'78	76ca	19ca	1.59a	1.11a	3.65a

a-Swap gains + int. forgive: \$3.70.

(NON-QUAL TRUST; Will become self-admin. & end ties to Phil. bank)

2 -FIRST CONT'L: \$7.75 (FCRES-OTC) Comment: Hold

for spec. income & increase in 10½% return on book. (Sh: 2106T, Book \$10.34)

Intangibles: Loss res. 40c. Assets: \$46M, 7½% nonearn, 5% foreclosed. Mix: 59% constr., 35% devel., 6% land; 87% TX. Financing: \$30M debt (all bank) is 1.4X \$22M equity. Borrows under \$33½M bank lines at ½% over prime plus compens. balances; 1% prime=½c/sh.Q. Must pledge assets equal to debt if demanded.

EPS:	May	Aug.	Nov.	Feb.	Year
FY'78	22c	22c	23c	23c	0.90
FY'79	25c	26c	27c		E1.03

Div: Nov. Q 26c; up to \$1.04 ann. rate.

(Advised by Houston mortgage banker)

2N-FIRST DENVER MI: \$3.13 (FDENS-OCT) Comment:

Recovery spec. at 55% below book. Van Schaack & Co. discusses combination. (Sh: 1621T, Book \$6.88) Intangibles: Loss res. \$3.06; Taxloss \$9.25. Assets: \$51M, 37% nonearn; 26% forecl. Mix: 21% land, 17% condo-secondary home, 7% condo-primary, 19% motels. Financing: \$35M (all bank) is 3.1X \$11M equity. Bank debt to 5/81 at 6½%; Assets pledged.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'78	2.56a	16ca	d27ca	71ca	3.15a
FY'79	d10c				

a-Asset swap gains: \$2.73 in '78.

(NON-QUAL TRUST; Adv. by Denver bank sub.)

1N-FIRST MEMPHIS: \$3.25 (FMEMS-OTC) Comment: Spec.

on loss res. recovery via swaps to boost book; Morgens-Waterfall bought 6½% of sh. (Sh: 1156T, Book \$6.18) Intangibles: Loss res. \$5.49; Depr. \$2.20; Taxloss \$5.77. Assets: \$40M, 54% non-, 8% low-earn; 88% forcl. Mix: 30% land, 22% offices, 20% apts.; 34% Tenn. Financing: \$29M

debt is 4.9X \$6M equity. Plans swapping assets to retire all ST bank debt; Wld owe only \$7M bank term, \$3-4M mtg. debt.

	Feb.	May	Aug.	Nov.	Year
FY'77	d27c	d25c	d18c	1c	d69ca
FY'78	70ca	18cab	55cab	1.04a	2.47ab

a-Swap gain: 33c FY'77; \$1.38 FY'78.

b-Prop. sale gains: 64c in '78.

(NON-QUAL TRUST: Adv. by Memphis bank)

2N-FIRST MTG: 69c (FMTGS-OTC) Comment: Spec. w/ hi-risk on new bank deal. Some smart traders buying pfd. (Sh: 8495T com.; Book d\$5.98 net) Bonds: For swaps. Pfd: 141T Ser. A & 450T Ser. B held by lenders. Intangibles: Loss res.\$1.68; Taxloss \$9.65. Assets: \$261M, 17% non-, 47% low-earn; Mix: 31% lodgings, 28% apts., 17% office. Financing: \$245M debt over \$59M liquidating value pfd. & d\$51M neg. common; \$192M bank credit expired 8/31/78 & negotiating to repay all debt in 18 mon; otherwise bankruptcy. Earnings: July Q 1c after 1c swap gain. (FY Jan.; NON-QUAL TRUST; Independent mgmt.)

#2N-FIRST NEWPORT: \$2.13 (FNRIS-OTC) Comment: Long recovery, making progress. Expect 43c/sh. asset sale gain in Jan. Q. (Sh: 2339T, Book \$3.07) Bonds: Hold; Trust buying in market. Intangibles: Loss res.\$10.69; Taxloss \$24.80. Assets: \$107M, 46% non, 14% low-earn; 37% forecl. Mix: 30% condos, 24% lodgings. Financing: \$79M debt is 9.8X \$8M equity. \$61M bank credit repayable by 10/82 at 5% inter. in FY'79; Lets trust repay \$7.4M of 8.75% subor. notes due 5/15/79 if conditions met. EPS: Jan. Apr. July Oct. Year
FY'78 d38c d43c 14c d36c d1.03
FY'79 E 15c
(NON-QUAL TRUST; Independent)

3N-FIRST PENN MI: \$2.00 (FPM-NYSE) Comment: Trading spec., pending swaps may net 44c/sh. in Jan. Q. (Sh: 2961T, Book \$2.50) Intangibles: Loss res. \$6.42; Taxloss \$9.94. Assets: \$102M, 75% nonearn, 63% foreclosed. Mix: 18% condo; 19% land; 40% comcl/indus. Financing: \$747M debt is 9.9X \$7M equity. \$60M bank debt accruing at prime w/interest forgiveness; Swapping. EPS: Oct. Jan. Apr. July Year
FY'78 d1.44 d2ca d64ca 24c d2.08a
FY'79 1.17b
a-Incl. asset swap gains \$1.43
b-Incl. asset swap gains \$2.30
(NON-QUAL TRUST; Advised by sub. of First Penn. Bank, Philadelphia)

2 -FIRST UNION: \$11.75 (FUR-NYSE) Comment: Shs. & bonds: Buy for quality income; New mtg. debt cut rate risk. (Sh: 4292T com., Book \$8.59) Intangibles: Depr. \$8.07. Assets: \$199M, 94% prop; 6% mtg. Prop. mix: 54% offices, 37% shop. Financing: \$155M debt is 3.2X \$47M total net equity (\$10M pfd., \$37M common). Debt is: 77% secured mtgs., 14% short-term, 9% cvt. EPS/CFS Jan. Apr. July Oct.
FY'77 20/29c 24/31c 21/29c 21/29c
FY'78 21/29ca 23/30ca 45/52ca 21/31
a-Prop. sale gains: 30c.
Div: Upped to 27c or \$1.08 ann. rate.
(Independent Cleveland mgmt.)

3N-FIRST VIRGINIA: \$1.50* (FVM-OTC) Comment: Shs. & Bonds: Hold for modest recovery. (Sh: 1208T; Book \$6.89) Intangibles: Loss res. \$8.05; Taxloss \$10.51. Assets: \$59M, 35% non, 1% low-earn; 37% foreclosed. Mix: 28% land; 37% Va., 34% Fla. Financing: \$45M debt is 3.0X \$8M equity. \$25M bank credit to 12/79 at 4% + contingent inter.; Pledged assets.

	Sept.	Dec.	Mar.	June	Year
FY'78	6c	2.85a	22c	41c	3.54ab
FY'79	47cb				

a-Incl. \$1.52 taxloss ben. + \$2.90 bond recovery. b-20c asset sales & 24c taxloss.
(NON-QUAL TR; Independent mgmt. tied to bank)

3N-FIRST WISC MTG: \$3.50 (FWMTS-OTC) Comment: For long recovery, some dilution. (Sh: 1988T, Bk \$5.37) Intangibles: Loss res. \$8.26; Taxloss \$20.12. Assets: \$104M, 34% non-, 43% lowearn; 70% forecl. Mix: 31% apts., 29% land, 25% Mid-west. Financing: \$80M debt is 7.5X \$11M equity. \$63M bank debt at 1% or net income to 5/80; Banks provided \$6M secured standing loans on props.

	Mar.	June	Sept.	Dec.	Year
1978	0ca	0ca	d20c		

a-After 89c loss prov. thru June.

(NON-QUAL TR: Adv. by Milwaukee bank sub.)

2 -FLATLEY: \$4.00 Unit (FLTLS-OTC) Comment: Buy for recovery toward book. (Sh: 1000T, Book \$6.93) Intangibles: Depr. \$2.19; Taxloss 27c. Assets: \$24M, Mix: 40% apts, 52% shop. ctrs.; 92% Mass. Bought 115T sf N.H. shop. ctr. 94% prop., 6% loans. Financing: \$17.4M debt is 2.5X \$7M equity; 85% mtgs.

	Sept.	Dec.	Mar.	June	Year
FY'78	3c	11c	d3c	12c	23c
FY'79	10c				E50c

Div: Resumed w/20c from FY'78. (Self-Adm.)

1 -FLA GULF: \$11.75 (FGLFS-OTC) Comment: Buy for yield & benefits of renting vacated stores; EPS seen down near term. (Sh: 995T, Bk \$14.43) Intangibles: Depr. \$5.54. Assets: \$32M. Mix: Over 93% strip shop. ctrs. w/2.0M sf; 92% FL. Neisner Bros. & Food Fair disaffirmed leases for abt. 166T sf or abt. 8% of space; some re-leased. Financing: \$18M debt is 1.3X \$14M equity; \$18M mtgs. on prop. EPS/CFS July Oct. Jan. Apr.
FY'78 15/34c 17/36c 20/38c 14/33c
FY'79 20/37ca 16/35c
a- 2c prop. sale gain.
Est: FY'79 EPS 65c; CFS \$1.40. Div: 32c/Q, 55% tax-free. (Adv. by sub. of Loeb Rhoads)

2N-FRANKLIN: \$5.75 (FR-ASE) Comment: Hold for earnings improvement, expanding real estate services. (Sh: 999T, Book \$7.93) Converts: Hold. Intangibles: Depr. \$11.23; Taxloss \$1.74. Assets: \$32M. Mix: 77% prop. owned, 23% joint vent. Prop. incl. JV: 11 offices midwest & FL, 11 apts., 2 motels, 1 strip shop.ctr, 1 leased land tract. Vacancies falling. Financing: \$25M debt is 3.2X \$8M equity. Debt is: 65% secured, 15% short, 20% convt.

	Sept.	Dec.	Mar.	June	Year
FY'78	1c	24c	14c	9c	48ca
FY'79	1c				

a-Incl. 20c sale gains & 19c taxloss.

(NON-QUAL: Mgmt. by independ. Phil. rltly gp)

3 -FRASER: \$10.75 (FRASS-OTC) Comment: EPS vulnerable but hold for recovery; Block of 16% bought by broker Jeff Schultz. (Sh: 1038T, Bk \$16.62) Intangibles: Loss Res. 59¢. Assets: \$45M, 9% nonearn; 7% forecl. Mix: 37% LT; 31% Ohio, 25% FL. Making new investment. Financing: \$35M debt is 2.0X \$17M equity. \$26M bank; \$9M fixed rate. 1% prime= 4¢/sh. qtr.

EPS:	Aug.	Nov.	Feb.	May	Year
FY'78	25¢	25¢	26¢	50¢a	1.26a
FY'79	27¢	27¢			El.15

a-Incl. 43¢ asset sale gain.

Div: 28¢, paying sale gains; \$1.12 ann. rate. (Adv. by Cleveland mtg. banker)

3 -GEN GROWTH: \$27.38 (GGP-NYSE) Comment: Bucksbaum family, now 15% owners, to tender for all sh. at \$28 cash or \$30 notes. Offer expected in spring. (Sh: 6202T, Book \$6.02) Intangibles: Depr. \$4.31. Assets: \$354M, no problems; high quality. Mix: 78% shop. ctrs. (major Midwestern malls), 13% apts. Financing: \$312M debt is 8.4X \$37M equity. Debt is 89% secured mtgs. & \$25M 9-1/8% secured notes to 4/97. Earnings: Sep. Q EPS 40¢ after 2¢ gain & CFS 49¢ after 2¢ gain. Sept. FY \$1.48 after 15¢ gain. Div: 39¢, about 60% taxfree. (FY Sept.)

1N-GMR PROP: \$2.38 (GMR-NYSE) Comment: Recovery speculation & merger/acquisition candidate. (Sh: 2956T, Book p\$2.71) Bonds: 74% of 7.7% debts. tendered for \$1,025 prin. of new 8½% debts. + 50 sh. \$15.3M 8½s + 746T sh. issued. Intangibles: Loss res. \$6.81. Taxloss \$12.20 to FY'77. Assets: \$79M, 34% non-& 21% low-earn; 49% forc. Mix: 24% apts, 26% land; 79% Southeast. Financing: \$50M debt is 6.0X \$8M equity; \$24M bank term debt to 7/17/83 accruing first at 6½%, pay 4% cash;

EPS:	May	Aug.	Nov.	Feb.	Year
FY'78	d48¢	d18¢	d18¢	50¢	d34¢a
FY'79	d12¢	-0¢a	d14¢		

a-Asset swap gains: 90¢ in '78; 16¢ Aug Q. (NON-QUAL TRUST, Adv. by life insur. co.)

2 -GOULD INV: \$9.00 (GTR-ASE) Comment: Spec. income, above average yield. (Sh: 1174T, Bk \$7.11) Intangibles: Loss Res. 31¢; Depr. \$10.35. Assets: \$39M, 2% nonearn; 87% prop. owned. Mix: 19% NYC office, 6 apts, 15 strip ctrs. Financing: \$32M debt is 3.8X \$8M equity. 89% secured mtgs.

EPS/CFS	Dec.	Mar.	June	Sept.	Year
FY'77	22/34	30/27a	12/22	7/17a	0.71/1.01a
FY'78	37/47a	15/26	18/30	33/33	1.03/1.36a

a-Incl. prop. sale gains: 24¢ in FY'77, 18¢ in FY'78.

Div: 22¢Q; 88¢ ann. rate. (Managed by NY realty family)

1 -GREIT: \$7.25 (GRT-ASE) Comment: Hold for new mgmt. & re-leasing of vacant Dayton office space. Renovation to cause drain from this bldg. Shares 36% below book. Unicorp Fin. (Can.) bought 9% of sh. (Sh: 998T, Book \$11.31) Intangibles: Depr. \$14.22; Loss res. 8¢. Assets: \$35M, several vacancies. Mix: 61% shop. ctrs., 29% offices & urban stores, 2%

mtgs. Financing: \$24M debt is 2.1X \$11.3M equity; all secured mtgs.

EPS/CFS	Jan.	Apr.	July	Oct.	Year
FY'77	15/25	11/21	21/39	22/30a	69/1.15a
FY'78	14/23	10/18	14/22	12/18	50/81¢

a-Incl. prop. sale gains: 7¢.

Div: 10¢ Q, 40¢ ann. (Independent Phil. mgt)

5N-GRT AMER: 50¢* (GAA-OTC) Comment: Got prelim. OK of Ch. XI plan. SEC seeks Ch. X; 1-for-4 reverse split pending. (Sh: 4456T, Book d\$11.90) Bonds: Hold. Intangibles: Loss res. \$11.92; Depr. \$3.74; Taxloss \$15.93. Assets: \$315M, 90% nonearn; 83% forecl. Mix: 42% apts, 21% land. Financing: \$321M debt over \$58M neg. equity. Proposed plan given prelim. OK: secure assets for sr. creditors & pay 90% of prin. over 9 yrs, + 50% of sh; Sub. debt-7.55s: \$100 cash + sh. + debts. worth about \$225; 8.75s: \$80 cash + \$100 secur.; 7s: \$60 cash + \$65 secur. Earnings: Oct. Q 70¢ after 35¢ taxloss, 22¢ asset sale gain; forecl. now positive cash flow. (FY July: Seeks corp. status; Self-adm.)

2N-GROWTH RL COS: \$4.25 (GRW-NYSE) Comment: Improved spec.; Mgmt. seeks Pfd. stock for acquisitions & plans nat'l rltty. & mtg. brokerage; Claims \$4/sh. unrealized appreciation. (Sh: 2059T, Book \$7.66) Bonds: Risky yld. Intangibles: Loss Res. \$4.18; Taxloss \$10.93. Assets: \$104M, 40% non-& 12% lowearn; 48% forc. Mix: 40% apts., 18% shop. ctrs. Financing: \$82M debt is 5.2X \$16M equity; p\$52M bank debt to 12/81 w/int. accrued at prime to 9% max.; pledging assets.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'78	d65¢	3.77a	d22¢	1.15a	4.03a
FY'79	d39¢				

a-\$4.01 interest forgiven in FY'78.

(NON-QUAL. CORP.; Self-adm.)

5N-GUARDIAN: 75¢ (GMI-PHSE) Comment: Filed Ch. XI 3/78. SEC seeks Ch. X. Hold; Bond spec. only. (Sh: 3000T, Book d\$12.90) Bonds: Interest default 6/77; Hold. Intangibles: Loss res. \$8.74; Taxloss \$32.67. Proposal: Repay \$204M bank debt w/o inter. thru 1990 & sh. for 3/8 of equity; Subor. debt: 7½s, \$260 cash + 254 sh; 6 3/4s & 8s, \$210 cash + 188 sh. (wld give sub. debt 3/8 of equity). Bondholder group opposes. Assets: \$202M, 55% non-& lowearn; 35% forc. Mix: 35% land owned & in develop, 28% income-prod. prop. Financing: \$238M debt over \$41M negative equity. Debt is \$204M bank, \$34M debent. Earnings: Nov. Q 98¢ after 48¢ taxloss. (FY Feb.; NON-QUAL TR; Self-adm.)

2N-HAMILTON: \$2.25 (HAMTS-OTC) Comment: Recovery spec. at 59% below book (Sh: 2133T, Book \$5.43) Intangibles: Loss Res. \$6.59; Taxloss \$3.26. Assets: \$76M, 25% non-& El3% low-earn; 34% forc. Mix: 59% apts., 15% office, 13% land, 37% OK, 16% FL. Financing: \$49M debt is 4.2X \$11.6M equity; \$45M bank credit to 6/81 at prime or 10%; pay 2% cash; Paid \$6½M at signing.

EPS:	Mar.	June	Sept.	Dec.	Year
1977	d18c	d21ca	20ca	d35ca	d55ca
1978	d8c	d8c	40cb		

a-Asset swap gain \$1.44 in 1977. b-Asset swap gains 77c in Sept.'78.
(NON-QUAL TRUST: Self-adm.)

2N-HANOVER SQ: \$6.63 (HSQ-ASE) Comment: Buy/hold; Trustees considering sale, merger or liquidation; Major holders: W.R. Grace 13%; Brent Baird 10%. (Sh: 946T, Book \$11.25) Converts: Spec. income buy. Intangibles: Loss Res. \$2.22; Depr. 28c; Taxloss \$6.03 as of 8/77. Assets: \$32M, 21% non- & 16% low-earn; 23% forcl. Mix: 64% resid., 14% shop. ctrs.; to sell mtgs. & repay banks. Financing: \$19M debt is 1.8X \$10.7M equity; \$14.8M bank credit at 124% prime to 10/3/79.

EPS:	Nov.	Feb.	May	Aug.	Year
FY'78	31ca	d2cb	12cab	5c	46cab
FY'79	d3c				

a-Incl. 38c asset sale gains, w/37c in Nov.'77. b-Incl. 33c gain on debent. repur. (Adv. by W.R. Grace sub.)

4N-HEITMAN MTG: \$1.38 (HTM-ASE) Comment: Rising rates pinch earnings. (Sh: 3292T, Bk \$2.01) Converts: Higher risk hold. Intangibles: Loss Res. \$4.81; Taxloss E\$4.50. Assets: \$112M, 48% non- & 15% low-earn; 18% forcl. Mix: 32% shop. ctrs., 13% hotels, 19% offices, 21% land; 25% ill, 17% CA, 22% other West. Financing: \$90M debt is 13.6X \$6.6M equity; \$53M bank debt to 4/79 at prime, \$20M to 4/79 at 1/4% over prime.

EPS:	Mar.	June	Sept.	Dec.	Year
1977	d1c	d11c	d50c	d4c	d66c
1978	1c	d28c	d27c		

(Adv. by Chicago mtg. group)

1 -HOSPITAL MTG: \$9.75 (HMG-ASE) Comment: Buy; New bank deal limits inter. risk. Some recovery at 57% below book. (Sh: 1178T, Bk \$22.50) Intangibles: Loss Res. 17c; Depr. 62c. Assets: \$35M, 34% nonearn; 1% forcl. Mix: 34% medical, 31% land, 18% apts; 2/3 FL. Swapped 2 partic. for 133 ac. Houston. Financing: \$11M debt is 0.4X \$26½M equity; Paid banks down to \$6M term loan at 1-1/4% over prime 1/3/79.

EPS/CFS	May	Aug.	Nov.	Feb.	Year
FY'78	11/14	15/18	13/19	10/16	49/67c
FY'79	10/16	7/15	10/18		E37/65c

Div: 60c ann. rate.

(Adv. by Miami hosp. mgmt. co.)

1 -HOTEL INV: \$17.88 (HOT-ASE) Comment: Sh. & Bonds: Buy; We smell merger; Cutting rates on 2 mtgs., costing 2½c/sh. Qtr. (Sh: 1568T, Book \$16.90) Intangibles: Loss Res. 75c; Depr. \$3.06. Assets: \$77M, 4% nonearn; 50% prop., 46% LT mtgs. All hotels/motels, most nat'l franchises; comcl. business travel oriented. Financing: \$53M debt is 2.0X \$26½M equity; Debt is \$14M secured mtgs., \$15M secured @ 9 3/4% for 15 yrs., \$16M converts., \$6M bank at prime.

EPS/CFS	Nov.	Feb.	May	Aug.	Year
FY'78	40/53	34/50	37/50	29/43	1.40/1.96
FY'79	43/58				

Div: \$1.90/yr. (Self-adm.)

2 -HUBBARD: \$16.75 (HRE-NYSE) Comment: Buy for modest dividend increase prospects. (Sh: 4004T, Book \$24.76) Intangibles: Loss res. 30c; Depr. \$0.36. Assets: \$92½M, 2½% nonearn all Grant vacancies re-leased except 57T sf. Most net leased retail & food stores. Net lessees: 20% Safeway, 17% Ashland Oil, 17% Chrysler. Financing: \$2½M mtg. debt is 0.03X \$99M equity.

EPS:	Jan.	Apr.	July	Oct.	Year
FY'77r	39c	39c	41c	87ca	\$2.06a
FY'78r	43c	45c	47c	47c	1.82

a-Incl. 44c loss reserve reversal.

r-Restated for direct financing lease acctg. Div: 38c for Oct. Qtr., up 6%. (Advised by Merrill Lynch sub.)

2 -ICM RLTY: \$8.13 (ICM-ASE) Comment: May sell assets to lower EPS vulnerability. LT recovery; Eastover Corp. bought 8% & L. Speed appointed trustee. (Sh: 3011T, Book \$15.13) Intangibles: Loss Res. \$5.12; Depr. 28c. Assets: \$91M, 53% non- & lowearn; 32% forcl. Mix: 50% apts., 26% shop. ctrs, 15% land; 40% land/leasebacks. Financing: \$31M debt is 0.7X \$45½M equity; Debt is 49% secured mtgs., \$16½M bank credit to 2/79 at 120% prime. 1% prime= 1c/sh. qtr.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'77	22ca	10c	15c	37ca	84ca
FY'78	15cb	28cb	24c	13c	80cb

a-Incl. 25c prop. sales. b-Incl. 16c prop. sales.

Div: Paying annually from taxable income. Paying 50.3c in 2/79 from FY'78 income. (Adv. by NYC mtg. group)

3N-IDS RLTY: \$1.88* (IDR-OTC) Comment: Interesting spec. Sponsor IDS holds wt. for 50% of sh. @ \$2. (Sh: 2409T, Book \$3.65) Bonds: Hold. Bought \$65M at 80% of par in 8/78 + another \$5.8M 12/78. Intangibles: Loss Res. \$7.06; Taxloss \$16.84 before recent gain. Assets: \$129M, 49% nonearn; 42% forcl.; 24% land, 41% L/T loans. Financing: \$104M debt is 11.8X \$9M equity; all subor. debent. \$99M debt at 12/78. Earnings: Oct. Q \$7.23 after \$7.26 extra. gains & 27c loss res. recovery. (FY Jan.; NON-QUAL TRUST)

5N-INDEPEND MTG: \$1.38* (IMTGS-OTC) Comment: Spec. on swaps. (Sh: 2500T, Bk d\$3.80) Intangibles: Loss Res. \$11.63; Taxloss \$12.80. Assets: \$115M, 87% non- & low-earn; 67% foreclosed. Mix: 23% condos, 26% devel; 16% FL. Financing: \$95M debt over \$9½M negative equity; Debt is \$75M bank term, \$10M subor., \$10M mtgs. Seeks restructuring via asset swaps. Earnings: Sep. Q 13c after 6c sale gain. (FY June, NON-QUAL TRUST: Adv. by Phil. bank)

2N-INDIANA MTG: \$4.25 (INDMS-OTC) Comment: Hold for improvement, operating at approx. break-even ex reserve changes. (Sh: 1154T, Book \$8.79) Intangibles: Loss Res. \$2.30; Depr. \$2.72; Taxloss \$6.50. Assets: \$54M, 25½% non-earn; 8% forcl. Mtgs. 50% (most land & comcl.) Prop. 41% (most offices & apts.) Financing: \$41M debt is 4.0X \$10M equity; \$30M bank credit to 10/79: \$18M at 8½% & \$13½M at 8%

min., 10% max.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'78	+0¢	d2¢	1¢	37¢	36¢
FY'79	9¢	d9¢			

a-Loss res. credits of 72¢ in FY'78;
7¢ in Sept. '78.

(Advised by Indiana bank)

1N-INSTITUTIONAL IN: \$2.25 (INV-NYSE) Comment:

Spec. on merger/acquisition. (Sh: 6074T, Book \$2.88) Bonds: 72½% of old 7 7/8s took \$1,050 of new 8¼% 1st Priority sub. notes + 50 shs. Issuing \$15.2M new 8½s + 724T new sh. Intangibles: Loss Res. \$1.32; Depr. 16¢; Taxloss \$6.71. Assets: \$83M, 60% non- & 25% low-earn; 60% forcl. Mix: 15% apts., 48% land; 18% FL. Financing: \$60M debt is 3.4X \$17M equity; \$28½M bank credit to 1/82.

EPS:	Apr.	July	Oct.	Jan.	Year
FY'77	d36¢	d41¢	d29¢	d1.41a	d2.47a
FY'79	d35¢	33¢	d10¢		

a-36¢ sales gain + 31¢ swap gain.

b-39¢ gain debt extinguishment.

(NON-QUAL TRUST: Self-adm.)

2 -INVESTORS RL: \$8.25 (IRT-ASE) Comment: Interesting long-term recovery buy at 26% below book. Proposes exchanging 850,532 sh. for Summit Props. (Sh: 1479T, Book \$11.11) Intangibles: Loss Res. 62¢; Depr. \$3.13. Assets: \$36M, 17% nonearn. Mix: 54% apts., 15% shop. ctrs.; 77% property. Financing: \$17M debt is 1.0X \$16M equity; \$1.8M bank debt, \$15M mtgs.

EPS/CFS	Feb.	May	Aug.	Nov.	Year
FY'77	3/18	d1/14	d14/0	51/64a	39/96¢
FY'78	8/19	30/37	12/19	16/	65/ a

a-Prop. sales gain 93¢ in '77; 9¢ '78.

Div: Paying 60¢/yr. (CAN END REIT; Self-adm.)

2 -JMB RLTY: \$16.00 (JMBRS-OTC) Comment: Buy/hold for spec. yield. (Sh: 510T, Book \$19.68) Intangibles: Depr. \$1.42. Assets: \$34M, no nonearn. Mix: 49% apts., 17% offices, 17% shop ctrs.; 71% wraparound mtgs., 10% land leasebacks. Financing: \$24M debt is 2.4X \$10M equity; \$20M mtgs., \$4M bank debt.

EPS:	Nov.	Feb.	May	Aug.	Year
FY'78	46¢	46¢	77¢	61¢	2.30
FY'79	48¢				

a-Incl. 13¢ prop. sale gain.

Div: \$2.00/yr. rate. (Adv. by Chicago rly gp)

2N-KENTUCKY PROP: \$2.38 (KMTGS-OTC) Comment: Situation improving; broker Brent Baird bought 15% of shs. (Sh: 1100T, Book \$2.61) Intangibles: Loss Res. \$2.27; Taxloss \$4.44. Assets: \$15M, 88% non- & low-earn; 80% foreclosed. Mix: 23% apts., 25% land & devel., 17% condo; 54% Ky. Financing: \$9½M debt is 3.2X \$3M equity; \$8M bank debt to 5/80 at 8%, 4% cash, balance deferred.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'78	d6¢	1.05a	d6¢		

a-69¢ asset swap gain.

(NON-QUAL TRUST: Self-adm.)

5N-LIFETIME COM: 75¢ (LFTMS-OTC) Comment: High risk. (Sh: 6632T, Book \$2.67) Intangibles:

Loss Res. \$7.97; Taxloss \$9.38. Assets: \$141M, 75% non- & low-earn; 59% forcl. Settlement: Ch. XI emergence 1/78: Banks get 65% of \$163M debt over 6 yrs. + 47% of stock; sub. debt gets 10% + 15% of par + 5.2% of stock. Financing: \$80M debt is 4.5X \$17.7M equity. Earnings: July Q 17¢ after 8¢ tax benefit & 9¢ gain. (FY Oct.; Corporation)

2N-LINCOLN: \$2.25 (LNMGS-OTC) Comment: Shs. & Bonds: Spec. that new mgmt. can rebuild book value via development. (Sh: 1155T, Book 85¢) Intangibles: Loss Res. \$2.16; Depr. \$0.49; Taxloss \$3.56. Assets: \$13½M, 61% non- & low-earn & foreclosed. Mix: 70% apts. Financing: \$11M debt is 11X \$1M equity. Earnings: Sep. Q d4¢ after 21¢ gain. Approx. 75¢ sale gain in Dec. Q. (FY Mar.; NON-QUAL TRUST; Self-adm.; Five large holders elected trustees in Oct. '78 + replaced old mgmt.)

2 -LOMAS & NET MTG: \$17.13 (LOM-NYSE) Comment: Buy/hold, shares depressed 38% below book by rate fear but exposure to 1% prime chng.= 2¢/sh. qtr. (Sh: 3700T, Book \$27.84) Intangibles: Loss Res. \$2.74. Assets: \$278M, 14% nonearn; 15% forcl. Making new loans. Mix: 42% const. loans, 29% land acq. & devel.; 55% Texas. Financing: \$177M debt is 1.7X 103M equity; \$100M credit to 5/83 permits \$50M more comcl. paper. All debt floats.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'78	40¢	42¢	43¢	45¢	1.70
FY'79	48¢	49¢			E1.80

Div: Dec. 49¢ qtr.; 36¢ cap. ret. in '78.

(Advised by largest U.S. mtg. banker)

2 -M&T MTG: \$10.00 (MTMIS-OTC) Comment: Buy for stable yield, good relative value. (Sh: 1482T, Book \$10.29) Intangibles: Loss Res. 66¢. Assets: \$53M, 0.5% nonearn. & 0.2% forcl. All mtgs. in TX, most 1-family constr. & devel.; \$12M unfunded commitments at 11/78. Financing: \$37M debt is 2.5X \$15M equity; All bank debt secured; sponsor provides compensatig balances.

EPS	Nov.	Feb.	May	Aug.	Year
FY'78	28¢	26¢	28¢	31¢	1.13
FY'79	32¢				E1.10-1.12

Div: \$1.20/yr. rate. (Advised by Houston Mtg. banker)

2N-MARYLAND RL: \$3.50 (MDRTS-OTC) Comment: Recovery spec. but small; Federated Reins. bought 11.8%. (Sh: 760T, Book \$8.59) Intangibles: Loss Res. \$2.88; Taxloss \$4.70. Assets: \$19M, 29% non- & 8% low-earn; 37% foreclosed. Mix: All Ga. & Fla; 32% apts., 32% land. Financing: \$10.2M bank debt is 1.6X \$6.5M equity. Assets pledged. Earnings: Aug. Q EPS 16¢ after 6¢ taxloss & 21¢ sale gain. (FY Nov.; NON-QUAL TRUST)

1 -MASSMUT M&R: \$14.13 (MML-NYSE) Comment: Buy/hold at 28% below book. (Sh: 4670T, Book \$19.66) Converts: Safe yield. Intangibles: Loss Res. 27¢. Assets: \$189M, 5% non- & 6% low-earn; 1% forcl. Mix: 37% shop. ctr. & re-tail, 33% apts.; 81% LT mtgs. New commitments.

Financing: \$98M debt is 1.1X \$92M equity. Small int. rate exposure. \$68M converts.
EPS: Jan. Apr. July Oct. Year
 FY'78 36¢ 38¢ 37¢ 36¢ 1.47a
 a-Incl. 11¢ debent. repurchase gains.
Div: \$1.36/yr. rate. (Major life co. adv.)

5N-METROPLEX: 63¢* (JMI-OTC) Comment: Bonds & Shares: Avoid. Filed Ch. XI 12/77; must solve complex litigation to emerge. (Sh: 1184T, Book \$1.02 on going concern basis) Intangibles: Loss Res. \$5.41; Taxloss \$16.47. Assets: \$20M, 100% nonearn; 72% forcl. Most land & lots. Financing: \$12M debt is 9.6X \$1.25M equity as going concern; d\$4M on liquidation basis. Debt is \$1M bank + \$9.6M sub. debts. Earnings: 67¢ after 37¢ extra items in Sept. '78 FY. (FY Sept.; NON-QUAL TRUST)

2N-MIDLAND MTG: \$1.63 (MMT-NYSE) Comment: Spec. on developing/selling 2 large tracts. Okla. broker P. Hoffman bought 17% of shs. (Sh: 2382T, Book 31¢) Bonds: Spec. yield. Seeks 5.2M new sh. for exch. offer. Intangibles: Loss Res. \$3.32; Taxloss \$9.26. Assets: \$28M, 75% non- & lowearn; 57% forcl. Mix: 11% motel, 17% condo, 48% land. Financing: \$21M debt is 37X \$0.6 net equity. Swaps repaid all bank debt 8/78.
EPS: Sept. Dec. Mar. June Year
 FY'78 d4¢ d9¢ d18¢ 18¢ d14¢
 FY'79 5¢ 6¢
 a-Incl. \$2.98 asset swap gains. b-14¢ debt repurchase.
 (CAN END REIT: Okla. mtg. banker adviser)

2- MILLER(HEN.S): \$12.50 (HSTMS-OTC) Comment: Buy for LT recovery; Operating trend up. (Sh: 560T, Book \$16.95) Intangibles: Loss Res. \$1.74; Depr. \$3.17. Assets: \$25M, 10% non-earn & foreclosed. Mix: 60% shop. ctrs. owned, 18½% land; mostly Texas. Sold 2 offices, Kansas shop. ctr. & Tx. warehouse. Financing: \$16M debt is 1.7X \$9.5M equity. \$4M bank borrowings at ½% over prime; \$11.8M mtgs. on prop.
EPS: May Aug. Nov. Feb. Year
 FY'78 16¢ 15¢ 4¢ 17¢ 52¢
 FY'79 30¢ 2.34a 29¢
 a-Incl. \$2.13 prop. sale & insur. gains.
Div: Jan. 28¢, \$1.12/yr rate, up 12%.
 (Dallas realty group adviser)

3N-MISSION: \$4.75 (MIT-ASE) Comment: Trading only; Recent price runup on volume raises risk, may tip buyout try. Merger offer spurned. (Sh: 1812T, Book \$4.87) Intangibles: Loss Res. \$2.41; Taxloss \$5.35. Assets: \$26M, 40% non- & 22% low-earn; 51% forcl. Mix: 42% land & devel., 19% resid., 39% comcl. Financing: \$13M bank debt is 1.5X \$9M equity. Bank debt at max. 8½% to 11/79; Cut bank debt to \$7M 10/78. Assets pledged.
EPS: Feb. May Aug. Nov. Year
 FY'77 d16¢ d9¢ d5¢ 13¢ d43¢
 FY'78 15¢a 5¢a d1¢ 1¢ 0.20a
 a-Incl. 12¢ asset sale gains, 17¢ interest recovery.
 (CAN END REIT: Self-adm.)

2 -MONY MTG: \$8.00 (MYM-NYSE) Comment: Hold; Buy if div. is cut. (Sh: 8951T, Book \$9.79) Converts: Safe yield. Intangibles: Loss Res. 10¢; Depr. 22¢. Assets: \$228M, 8% non- & low-earn; 5% forcl. Mix: 29% office, 26% multi-fam., 32% shop. ctrs.; 41% ST mtgs., 40% LT mtgs. Making new ST commitments. Financing: \$147M debt is 1.7X \$87M equity. \$98M ST debt, most \$78M comcl. paper.
EPS: Aug. Nov. Feb. May Year
 FY'78 16¢ 16¢ 16¢ 38¢a 86¢a
 FY'79 17¢ 17¢
 a-Incl. 26¢ borrower restructure gain.
Div: 92¢ ann. rate but under "constant consideration". (Major life co. adviser)

1N-MORAGA CORP: \$3.13 (MORA-OTC) Comment: Good spec. on acquisitions; Borrowed from life co. to repay banks & boost book value. (Sh: 1355T; Bk E\$6.50). Converts: Spec. yield. Intangibles: Loss res.\$5.78; Taxloss:\$14.76. Assets: Pro forma: \$35M, 42% non-earn; 70% forecl; Mix: 20% land, 19% apts. Financing: Pro forma: \$13M debt is 1.3X \$10M equity; Borrowed \$10.3M from New England Mut. on secured basis.
EPS: Oct. Jan. Apr. July Year
 FY'78.. d6¢ 25¢ 22¢ 2¢ 43¢a
 FY'79..d20¢
 a-Incl. 69¢ swap gains, taxloss benefits & interest forgiveness.
 (NON-QUAL CORP; Self-adm.)

1 -MTG GROWTH: \$7.75 (MTG-ASE) Comment: Spec. buy/hold for LT recovery and 9.3% yield. (Sh: 2627T, Book \$10.65) Intangibles: Loss Res. 31¢; Depr. \$1.06. Assets: \$45M, 4% non- & 3% low-earn; 4% held for sale. Mix: 61% apts., 26% offices; 34% Cal. Financing: \$16.8M debt is 0.6X \$28M equity; Debt: \$7.7M converts, \$3M banks, \$6M mtgs; New \$7M mtg. on LA prop.
EPS/CFS Feb. May Aug. Nov. Year
 FY'77 5/11 5/13 5/13 8/16 23/53¢
 FY'78 10/18 12/20 13/21 E50/80¢
Div: Nov. 18¢, up 2¢. (Adv. independent group)

3N-MTG INV WASH: \$1.75 (MINVS-OTC) Comment: Trading, recovery potential. (Sh: 2146T, Book \$4.13) Bonds: Risky yield. Intangibles: Loss Res. \$2.17; Taxloss \$4.43. Assets: \$55M, 42% non- & 15% low-earn; 42% forecl. Mix: 21% apts., 15% shop. ctr.; 15% mobile home. Financing: \$43M debt is 4.8X \$8.9M equity. \$15M sr. bank at 112½% of ¼% over prime, to 12/15/79.
EPS: June Sept. Dec. Mar. Year
 FY'78 11¢a d15¢ d1.14 d54¢ d1.72a
 FY'79 25¢b d22¢
 a-Incl. 14¢ sale gains; b-38¢ sale gains.
 (NON-QUAL TRUST)

1N-MTG TR AM: \$7.25 (MT-NYSE) Comment: Buy/hold for recovery at 46% below book. May resume div. or use EPS to rebuild book value. (Sh: 3860T, Book \$13.33) Intangibles: Loss res. \$2.47; Tax-loss \$2.05. Assets: \$80M, 36% non- & 17% lowearn; 30% forcl. Mix: 24% land & devel., 17% condos, 19% apts.; 17% CA. Financing: \$20½M debt is 0.4X \$50M equity. \$14M bank debt at full-rate inter. New \$20M credit permits new investments.
EPS: Feb. May Aug. Nov. Year
 FY'77 d13¢ d17¢ d19¢ 24¢a d25¢a
 FY'78 18¢a 48¢b 14¢ 42¢ab 1.22ab

a-Incl. 9¢ prop. sales in Nov.'77; 36¢ in FY'78. b-49¢ int. & 17¢ loss res. recovery.

(Advised by sub. of Transamerica Corp.)

4N-NATL MTG: 75¢* (NMF-OTC) Comment: Moderating risk that land holdings will be difficult to market. Gwinnett Co., GA lot sales behind schedule. Broker Brent Baird holds 6.7%. (Sh: 3707T, Bk \$2.03) Intangibles: Loss Res. \$3.19; Taxloss \$2.51. Assets: \$31M, 76% non-earn & 7% low-earn; 58% forcl. Mix: 61% land, 16% comcl; 43% FL. Financing: \$12M debt is 1.6X \$7.5M equity; \$8.5M secured bank credit w/no interest in Ch. XI settlemt. Earnings: Nov. Q nil. (FY Feb.; NON-QUAL TRUST)

2 -NATIONWIDE RE: \$13.50 (NRELS-OTC) Comment: Agreement in principle w/Buckeye Fed. S&L, Max. \$20, min. \$18. Buy/hold for merger. (Sh: 1047T, Book \$24.36) Converts: High yield. Intangibles: Loss Res. \$1.22. Assets: \$31M, 49% non-earn; 35% foreclosed; Halted new loans. Mix: 25% medical, 14% condos, 11% land; 30% Ohio, 17% Ind. Financing: \$6½M sub. debent. debt is 0.3X \$25½M equity; Earnings: Sep. Q 13¢. (FY Mar.)

2 -NEW PLAN RL: \$9.50 (NPLNS-OTC) Comment: Buy/hold for good quality yield and improving income. (Sh: 2357T; Book \$2.67) Intangibles: Depr. \$2.56. Assets: \$20M, no nonearn. Mix: 71% shop. ctrs. owned, 14% resid. Bought two NY shop. ctrs. w/193T sf. Financing: \$17M debt is 2.5X \$7M equity; Debt: 80% mtgs., 18% subor.

EPS/CFS	Oct.	Jan.	Apr.	July	Year
FY'77A	11/12	21/21a	15/16	16/15	63/64¢
FY'78A	25/25b	25/25b	18/17	0/EOb	68/67¢

A-Adjusted for 3/2 stock split 11/78.
a-Incl. 4¢ sale gain. b-Incl. 5¢ sale.
Div: 78¢/yr paid monthly, up 8%. (Self-adm.)

5N-NJB PRIME: \$1.25* (NJB-OTC) Comment: Avoid, Ch. XI filed 9/78. (Sh: 1330T, Book d\$7.15) Intangibles: Loss Res. \$17.98; Taxloss \$12.00. Assets: \$65M, 71% nonearn; 53% forcl. Mix: 43½% motor lodges/restaurants, 27½% condos. Financing: \$48½M debt over \$9½M neg. equity. Filed Ch. XI plan 9/14/78 proposing: Exch. of \$20 cash for \$100 subor. deb. or \$15 + \$35 in new conv. deb., or \$15 + 20 sh. Judge orders recirculation of plan for creditor OK; Noteholder committee opposes. Earnings: Aug. Q d55¢ after 13¢ loss prov. (FY Nov.; NON-QUAL; Self-adm.)

3N-NO. AMER: \$3.13 (NAM-NYSE) Comment: Buying opportunity possible if 5½s not paid on Mar. 15 maturity; Converting \$17½M apts. to condo + improve liquidity. (Sh: 4401T, Book \$8.17) Bonds: Hold 8½s; 5½s won't be repaid 3/15/79 and seeks new financing. Intangibles: Loss Res. \$2.57; Taxloss NA. Assets: \$140M, 38% non-earn & 52% low-earn; 71% forcl. Mix: 50% apts., 10% land; 34% FL. Financing: \$96M debt is 2.7X \$36M common equity; \$33M demand bank.

EPS:	Mar.	June	Sept.	Dec.	Year
1977	d32¢	d1.04	d35¢	d26¢a	d1.97a
1978	d34¢	d37¢	d32¢		

a-Incl. 12¢ debt restructuring gain. (Self-adm.)

2N-NOWSTRN FIN: \$8.25 (NFINS-OTC) Comment: Recovery and/or liquidation spec. Broker Brent Baird bought 13%. Seek taxloss use. (Sh: 1510T, Bk \$14.35) Intangibles: Loss Res. \$1.99; Taxloss \$3.64. Assets: \$33M, 37% nonearn; 23% forcl. Mix: 7% apts., 6% offices, 7% land, 44% inter-long; 50% N. Caro. Financing: \$9M bank debt is 0.4X \$21½M equity; \$9M bank lines w/2 banks at ½% over prime.

EPS:	Mar.	June	Sept.	Dec.	Year
1978	8¢	4¢	12¢a		

a-6¢ tax benefit & 10¢ loss res. credit. (NON-QUAL TRUST; N. Car. bank adviser)

3 -NOWSTRN MUT: \$10.38 (NML-NYSE) Comment: Hold, 1% prime=2¢/sh. qtr, but difficulties appear discounted. (Sh: 4758T, Book \$19.12) Converts: Safe. Intangibles: Loss Res. 65¢. Assets: \$240M, 8% non-earn & 5% low-earn; 13% forcl. Mix: 25% office, 27% shop. ctr., 10% apts; 59% LT mtgs. Financing: \$152M debt is 1.7X \$91M equity. \$77½M open bank lines; \$17M comcl. paper.

EPS:	June	Sept.	Dec.	Mar.	Year
FY'78	22¢	30¢a	17¢	22¢	91¢a
FY'79	49¢b	17¢	20¢		

a-15¢ sale gain; b-33¢ sale gain.

Div: 25¢. Being helped by cap. gains & est. \$1 rate payout. (Major life co. adviser)

1 -PACIFIC SO: \$8.38 (PSMTS-OTC) Comment: LT recovery or buyout candidate plus spec. yield; President bought 5½% of shares. (Sh: 800T, Book \$11.99) Intangibles: Loss Res. \$1.38. Assets: \$9M, 11% nonearn & forcl. Mix: 84% comcl. LT loans, 11% forcl. condo under sale contract. Bought commercial prop. Financing: No debt over \$9½M equity.

EPS:	June	Sept.	Dec.	Mar.	Year
FY'78	13¢	17¢	15¢	13¢	58¢
FY'79	15¢	19¢			

Div: Up 11% to 80¢/yr. rate. (Self-adm.)

1 -PENN RE: \$15.00 (PEI-ASE) Comment: Buy/hold LT for yield & gains. (Sh: 1516T, Bk \$13.17) Intangibles: Depr. \$12.99. Assets: \$63M. Mix: 38% apts., 36% shop. ctrs. Financing: \$52M debt is 2.6X \$20M equity. Debt: 93% mtgs.; borrows under \$6½M bank lines.

EPS/CFS	Nov.	Feb.	May	Aug.
FY'78	82/95¢b	24/36¢	37/50¢	87/1.03b
FY'79	50/			

b-Incl. 88¢ sale gains.

Div: \$1.45 paid semi-annually, up 16%. (Phil. rlty. mgt)

5N-PLAZA RL: 88¢ (PRISS-OTC) Comment: Avoid or trade only. (Sh: 1114T, Book 73¢) Intangibles: Loss Res. \$2.98; Taxloss \$7.54. Assets: \$23M, 70% nonearn & forcl. Mix: 88% prop. owned. Financing: \$18M debt is 21.8X \$815T equity. Debt: \$11M mtgs.; \$7M bank at 1% cash or earnings to 1983 up to prime. Earnings: Sept. Q d7¢. No audit opinion '77. (FY Dec.; NON-QUAL TRUST: Self-adm.)

#2 -PNB MTG: \$9.63 (PNI-NYSE) Comment: Hold for LT recovery; Cutting interest vulnerability & talking poss. purchase of Sutro Mtg. (Sh: 2437T, Bk \$18.81) Intangibles: Loss Res. 53¢. Assets: \$105M, 12% non-earn & low-earn; 11% forcl.

Mix: 46% LT mtgs., 19% prop. owned; 46% apts., 16% office & indust. Adding assets.

Financing: \$68M debt is 1.5X \$46M equity; \$26M comcl. paper.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'78	22¢	16¢	23¢	24¢	85¢
FY'79	56¢				

a-Incl. 5¢ prop. sale gains. b-34¢ sale gain.
Est: FY'79 EPS rising. Div: Dec. 27¢, up 23%. (Adv. Phil bank subsidiary)

- 3 -PROP CAP: \$11.75 (PCL-ASE) Comment: Buy/hold for yield and LT recovery; inter. exposure minimal. (Sh: 2065T, Book \$13.68) Intangibles: Loss res. 67¢. Assets: \$48M, 5% non-earn. Mix: 36% apts., 30% office, 20% shop. ctrs.; 64% leasebacks, 36% LT mtgs. Seek new investments. Financing: \$20M debt is 0.7X \$28M equity; \$15M Bank lines at 1/2% over prime; \$6M borrowed.

EPS:	Oct.	Jan.	Apr.	July	Year
FY'78	30¢	30¢	30¢	30¢	1.20a
FY'79	30¢				El.20

a-Incl. 10¢ sale gain. b-10¢ sale gain.
Div: \$1.20/ann. rate. (Independent mgmt)

- 2 -PROP TR AM: \$4.63 (PTRAS-OTC) Comment: Hold for recovery; (Sh: 2338T, Bk \$7.45) Intangibles: Depr. \$1.56. Assets: \$32M, 9% nonearn; 9% forcl. Mix: 18% mtgs; 71% invstmt prop; 81% Tex. Financing: \$16M debt is 0.9X \$17M equity; \$15M mtgs.

EPS/CFS	Mar.	June	Sept.	Dec.	Year
1977	1/3	7/10	2/5	16/17a	26/35¢
1978	2/6b	2/5	11/15b		

a-Incl. 11¢ prop. sale gain. b-6¢ gain & 3¢ tender expense.

Div: 32¢ ann. rate. (Self-adm.)

- 2 -RL & MTG PAC: \$13.50 (RPACS-OTC) Comment: Sh. & Converts: Hold, moderately vulnerable to interest rates. (Sh: 1890T, Bk \$18.00) Intangibles: Loss Res. 20¢. Assets: \$92M, 1% non- & El0% low-earn; El5% forcl. Mix: 64% mtgs: 26% hotel/motel, 18% office; 31% prop.; 47% Calif., 19% Hawaii. Financing: \$58M debt is 1.7X \$34M equity; Upped bank credit to \$60M to 11/82; \$30M comcl. paper backing & \$30M line to 9 1/2% max., up 1/2%.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'77	25¢	27¢	32¢	29¢	1.13
FY'78	24¢	21¢	29¢	38¢	1.22

Div: \$1.40/yr., up 9% in Dec., incl. about 20¢/sh. depr. (Bank of Hawaii adviser)

- 2 -REIT AMER: \$16.13 (REI-ASE) Comment: Hold for LT improvement of prop. yld. (Sh: 1633T, Bk \$21.59) Intangibles: Depr. \$7.89. Assets: \$44M, prop. 9% vacant overall. Mix: 42% shop. ctrs., 24% office, 21% indust.; 45% Cal., 13% Mass. Financing: \$12M mtg. debt is 0.3X \$35M equity.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'78	67¢	31¢	28¢	44¢	1.70

a-Prop sale gains: 40¢ in FY'78.
Div: \$1.20/yr rate; paid since 1888. Paid 20¢ extra in Jan.'79. (Self-adm.; Oldest U.S. trust)

- 2 -RLTY INCOME: \$11.00 (RIT-ASE) Comment: Hold LT for benefits of problem property elimina-

tion, good 12% yield. European group bought 20% of shares. (Sh: 1573T, Bk \$12.11) Converts: Yield. Intangibles: Loss res. \$1.27. Assets: \$71M, 33% non- & 14% low-earn; 42% forcl. Mix: 19% apts., 27% offices. Closed 10/78 sale of large Cal. tract at \$3.66/sh. gain. Financing: \$59M debt is 3.1X \$19M equity \$17M under \$23M bank lines at prime; \$20M term at 1 1/2% over prime to '80.

EPS:	July	Oct.	Jan.	Apr.	Year
FY'79	0.32	3.32b			

b-Incl. \$3.94 sale gain.

Div: \$1.40/yr. paying cap. gains. (Self-adm)

- 3 -RLTY REFUND: \$15.88 (RRF-NYSE) Comment: Hold; EPS partly sensitive to prime. (Sh: 1377T, Bk \$17.38) Bonds: Attractive for yield. Intangibles: No reserve. Assets: \$64M, no problems; Mix: 80% wraparound mtgs., 20% LT mtgs; 43% apts., 21 1/2% office, 19% industrial. Financing: \$38M debt is 1.6X \$24M net equity; \$2 1/2M bank debt at prime to 10/81; Sold \$20M of 11 3/8% sr. debent.

EPS:	Apr.	July	Oct.	Jan.	Year
FY'79	51¢	47¢	42¢	E40¢	El.80

Div: Oct. Q 42¢, down 11%. (Adv. Independent realty group)

- 3N-REPUBLIC MTG: \$2.25 (RMI-NYSE) Comment: Trading, spec. on recovery, still in red. (Sh: 2107T, Book \$3.90) Intangibles: Loss Res. \$4.99; Taxloss \$11.51. Assets: \$48M, 56% non- & 22% low-earn; 77% forcl. Mix: 28% land acq. & devel., 19% condos, 62% Fla. Financing: \$28M debt is 3.4X \$8.2M equity. \$25M bank credit to 12/78 at 3% cash or net cash income, + conting

EPS:	Mar.	June	Sept.	Dec.	Year
1978	d30¢	+0¢	d10¢		

- NR-RIVIERE RL: \$5.50* (RIVI6-OTC) Comment: Limited interest. (Sh: 783T, Book \$8.60) Intang: Depr. \$5.16. Assets: \$22M, 2% forcl. & NE. Financing: \$15M debt is 2.3X \$6.7M equity. \$9M mtgs. on prop. Earnings: Sep. Q EPS 18¢; CFS 25¢. Div: Dec. Q 15¢ (FY Dec.)

- 2 -SAN FRAN RE: \$19.00 (SFI-ASE) Comment: Buy/hold at 5% below book. Unicorp Fin., Can., bought 5%. (Sh: 1376T, Bk \$19.90) Intangibles: Loss res. \$1.59; Depr. \$4.78. Assets: \$63M, 5% forcl. & non-earn. Mix: 52% office, most bank occupied; 9% apts. Seeks new props. Sold 2 forcl. tracts 11/78. Financing: \$36M debt is 1.3X \$27M equity; 93% mtgs.

EPS/CFS	Mar.	June	Sept.	Dec.	Year
1977	20/26¢	13/19¢	10/18¢	27/35¢	90/1.11
1978	23/28¢	25/33¢	29/35¢	33/40	1.10/1.36

Div: Dec. up 14% to \$1.60/yr. rate. (Independ.)

2N-SAUL RE: \$6.88 (BFS-NYSE) Comment: Buyout candidate; Insiders buying + State Farm buys 14% of sh. (Sh: 5859T, Book \$4.66) Bonds & converts: For yield. Intangibles: Loss Res. 58¢; Depr. \$3.29; Taxloss \$6.66. Assets: \$254M, 11% non- & 11% lowearn. Mix: 90% prop; 39% shop. ctrs., 31% apts. Financing: \$223M debt is 8.2X \$27M equity; \$103M bank revolver at 125% of prime to 4/30/79; Mortgaged prop. for \$51M to pay down banks.

EPS: Dec. Mar. June Sept. Year
 FY'78 d29c d20cb d16cb d20cb d84cb
 b-Incl. 25c gain on asset sales in year.
 (NON-QUAL TRUST: Wash. rlt. group advisor)

1N-SECURITY MTG: \$3.63 (SMO-ASE) Comment: Buy; Asking holders to OK selling 923T sh. @ \$3.25 to Smith, Barney RE; Signals poss. EPS break-out. (Sh. 6487T, Book \$5.94) Bonds: Fairly priced. Intangibles: Loss res. \$1.68; Taxloss \$2.80. Assets: \$118M, 29% nonearn; 28% forcl. Mix: 46% comcl. mtgs., 17% medical mtgs. Financing: \$67M debt is 1.7X \$38M net equity; \$10M bank debt at 125% of prime; Renegotiates.
 EPS: Dec. Mar. June Sept. Year
 FY'78 d2c d1ca d13ca d3ca d18ca
 FY'79 d1c

a-Incl. 4c debt extinguishment gain.
 (CAN END REIT: Smith Barney affil. is adv.)

3N-SO ATLANTIC: \$3.38 (SAT-NYSE) Comment: Better spec. value after recent price fall. (Sh. 2706T, Book p\$3.26) Bonds: Inter. paid 8/78. Spec. yield. Intangibles: Loss Res. \$5.28; Taxloss \$8.72. Assets: \$120M, 67% non-& 20% low-earn, 83% foreclosed. Mix: 51% apts/condos, 27% land; 90% Fla. Financing: \$89M debt is 11.3X \$7.9M equity. \$69M bank credit accruing at prime.
 EPS: Jan. Apr. July Oct. Year
 FY'78 d57c d46c 8ca 34cb d61cab
 a-83c loss reserve credit. b-57c swap gain & 40c sale gain. (Becoming NON-QUAL SO. ATLANTIC FINANCIAL CORP.)

3N-STATE MUT: \$4.75 (SMU-NYSE) Comment: Interesting spec. on further recovery at 42% below book. (Sh. 2786T, Book \$8.18) Bonds: Hold. Intangibles: Loss Res. \$3.26; Taxloss \$5.90. Assets: \$54M, 70% non-& low-earn; Mix: 26% apts.; 25% land. Financing: \$25M debt is 1.1X \$23M equity; Sr. debt \$17M at 2% to 7/79.

EPS: June Sept. Dec. Mar. Year
 FY'78 d16c d15c 9.62a 4c 9.35a
 FY'79 6cb 23cb 10cb

a-\$8.39 debt restructuring gain.
 b-Taxloss benefit 19c & asset sales 8c in 9 mos.

(NON-QUAL TRUST: Major life co. adv.)

2N-SUMMIT PROP: \$3.00 (SMMTS-OTC) Comment: Agrees to exchange all sh. for 850,532 sh. Investors Rlt. (or abt. 0.55/IRT sh.) & merge, provided all approvals given. (Sh. 1543T, Book \$5.77) Intangibles: Loss Res. 60c; Depr. \$5.85. EPS: d\$1.20 in Oct. '78 FY. (NON-QUAL., Self-Admin.)

2 -SUTRO MTG: \$9.25 (SUT-NYSE) Comment: Buy for LT recovery at 41% below book value; Discussing sale to PNB Mtg. & Rlt. (Sh. 2322T, Book \$15.56) Converts: Safe yield. Intangibles: Loss Res. \$1.18. Assets: \$65M, 12% non- & 7% low-earn; 13% forcl. Mix: 32% office, 15% hotel/motel, 23% indust; most CA. Financing: \$25M debt is 0.7X \$36M equity; Debt is 82% converts, rest bank lines.

EPS: June Sept. Dec. Mar. Year
 FY'78 19c 32c 12c 20c 82ca
 FY'79 26cb 32cb 25c EL.00+

a-Incl. 31c asset sale gains.

b-Incl. 37c asset sales thru 12/78.

Div: Dec. 25c, \$1/yr. rate. (Advised by Los Angeles mortgage banker)

1N-TEXAS FIRST: \$3.63 (TFMRS-OTC) Comment: Spec. on recovery at 55% below book or

favorable merger. Eastover bought 15% of sh. (Sh. 1055T, Book \$8.03) Intangibles: Loss Res. \$3.03; Taxloss E\$8.25. Assets: \$17M, 69% nonearn; 55% forcl. Mix: 37% land. Financing: \$6M bank debt is 0.7X \$8.5M equity; Bank credit at 8% to 9/79; Swapping to pay banks; assets pledged. Earnings: Sep. Q 3c. (FY June; NON-QUAL TRUST: Self-adm.)

2N-TIERCO: \$2.88 (TIERS-OTC) Comment: Spec. at 56% below book; NYC investor J. Upham bought 10%. (Sh. 1170T, Book \$6.62) Intangibles: Loss Res. \$2.65. Taxloss \$9.61. Assets: \$29M, 38% non-& 32% low-earn; Mix: Heavy Okla. & TX. Financing: \$17.8M debt is 2.3X \$7.8M equity; \$4M bank debt accrual to 8 1/2% or prime, to 6/80. Earnings: Sept. Q 12c after 31c loss res. credit. (FY Dec.; NON-QUAL TRUST; Self-adm.)

4N-TRECO: \$1.00 (TRECS-OTC). Comment: Some spec. interest on restructuring but future still clouded. (Comm.Sh.: 2238T, Book 99c) Bonds: Inter. paid on old bonds 10/78. Old 8 1/2s & new pfd. now convertible at \$1.62/sh. or 5.39M poss. sh. Two blocks bought. Intangibles: Loss Res. \$11.68; Taxloss \$24.53. Assets: \$113M, 88% non-& low-earn; 81% forcl. Financing: \$80M debt is 36X \$2M equity; \$65M six-year bank credit at 1% inter. + partial asset pledge. Earnings: Sep. Q 4c. (FY Mar.; PLANS CORP. FORM; Self-adm.)

3N-TRI-SOUTH MTG: \$3.25 (TRI-NYSE). Comment: Interesting after recent price fall. (Sh. 2270T, Book \$3.59) Bonds: 53% took new 10% sr. convert @ \$2 1/2; Old bonds now current. Intangibles: Loss Res. \$11.50; Taxloss \$17.05. Assets: \$86M, 85% nonearn; 66% foreclosed. Mix: 37% land; 34% GA, 18% FL. Financing: \$57M debt is 7.7X \$7.5M equity; Cut bank debt to \$8M at 6% on 12/78.

EPS: Mar. June Sept. Dec. Year
 1977 d17ca d69ca d65ca d61ca d74ca
 1978 d23 d 5b 1.34b 30cb \$1.37b

a-\$2.71 extra gains. b-\$1.48 restructure gains in yr. (NON-QUAL; Adv. by 3 SE banks)

4N-UMET TRUST: \$2.25 (UAT-NYSE). Comment: Spec.; Perpetual Storage, private Utah co., bought 8% & seeks control; More interest forgiveness poss. '79. (Sh. 2109T, Bk \$d2.32). Intangibles: Loss Res. \$8.85; Taxloss \$9.96; Depr. \$1.45. Assets: \$121M, 21% nonearn; 80% foreclosed. Mix: 22% apts. Financing: \$105M debt over \$7.3M negative equity; \$71M bank credit to 8/79 at 6%; Renegotiating.
 EPS: Feb. May Aug. Nov. Year
 FY'78 d50ca d2.16a d72ca \$1.15a d2.23a
 a-Incl. 82c asset swap gains & \$2.74 inter. forgive. (NON-QUAL TRUST; Self administered)

#1 -UNITED RLTY: \$8.88 (URT-ASE). Comment: Buy at 50% below book value for benefits of problem loan solution; Low interest exposure. (Sh. 3610T, Book \$17.61). Intangibles: Loss res. \$1.09. Assets: \$81M, 36% non-& 4% low-earn; 30% foreclosed. Mix: 17% GNMA's (pledged), 24% office, 20% apts. Financing: \$13M debt is 0.2X \$63M equity. Pledged GNMA's to repay banks \$10M.

EPS: Feb. May Aug. Nov. Year
 1977 18c 19c 20c 20c 77c
 1978 20 20a 21a 20a 81ca

a-2c sale gain May, 2c prepay. in Aug., 5c litigation chg. Nov. Div.: Aug. qtr. 20c, down 5% to 80c rate. (Independent)

- 2 -US BANCORP TR: \$16.25 (UBT-ASE). Comment: LT recovery, good equity base, positive cash flow. Problems down. (Sh: 840T, Book \$17.12) Intangibles: Deprec. \$4.17; Taxloss \$5.24. Assets: \$44M, 6% nonearn; 4% foreclosed. Mix: 66% prop. owned or under construction, most industrial, rest office. Financing: \$29M debt is 2.0X \$14M equity. \$15M bank credit to 2/28/79 at 120% prime. EPS/CFS: Aug. Nov. Feb. May Year
FY'78 4/23c 10/8c 11/27c 48/65ca 53/1.23
FY'79 28/44b 28/45b
b-14c loss reserve credit in 6 mon. Div:
Resumed w/20c in Aug. (To be self-adm. 3/79)
- 2N-U.S. REALTY: \$5.00 (UTY-NYSE). Comment: Buy/hold for long-term recovery; In strong up-trend; reducing mtgs. & increasing property. Insiders buying. (Sh: 3434T, Book \$3.95) Converts: OK for risk income. Intangibles: Loss Res. \$1.82; Deprec. \$9.82. Assets: \$86M, E16% non- & 15% low-earn. Mix: 35% mtgs., 65% owned & joint venture property. Financing: \$69M debt is 5.2X \$13.6M equity; \$16M bank debt at 125% of prime; Got OK to invest \$3.75M internal funds into equities. EPS/CFS: Mar. June Sept. Dec. Year
1977 d12/1c 4/17c 8/21c 5/23c 5/62ca
1978 d 6/7 d5/8 d6/7c
a-22c asset sale gains & 16c debenture repur. gains. (NON-QUAL; Cleveland rlt. mgmt.)
- 2 -VIRGINIA REIT: \$12.25 (VARES-OTC). Comment: Hold/buy for long-term. (Sh: 1251T, Book \$10.02). Intangibles: Loss Res. \$1.12; Deprec. \$4.03. Assets: \$36M, 17% foreclosed & nonearn. Mix: 95% property. Financing: \$24M secured mtgs. are 1.9X \$12.5M equity. EPS/CFS: Mar. June Sept. Dec. Year
1978 d5/16c d9/d4c 10/19c
a-After 20c mtg. prepayment penalty.
Div.: 80c/yr. rate (Self-adm.)
- 2N-WACHOVIA RLTY: \$3.88 (WRI-NYSE). Comment: Spec. on LT recovery & asset disposition; 58% below book. (Sh: 3335T, Book \$9.21). Intangibles: Loss Res. \$4.00; Taxloss \$4.62. Assets: \$89M 50% non- & 9% low-earn; 42% foreclosed. Mix: 58% mtgs., 12% land & devel.; 20% shop.ctr., 19% hotel/motel. Financing: \$44M debt is 1.4X \$31M equity; \$44M bank debt to 7/79 at prime + contingent inter. at 125% of prime. EPS: Nov. Feb. May Aug. Year
FY'78 d18c d28c d18c d10c d74c
FY'79 d60c
(NON-QUAL REIT; S. Car. bank adv.)
- 2N-WALTER RLTY: \$4.75 (WALJS-OTC). Comment: Buy/hold for merger/acquisition potential. (Sh: 1035T, Book \$7.74). Intangibles: Loss Res. \$2.31; Taxloss \$9.71.
- Assets: \$22M, 37% nonearn; 42% foreclosed; 59% property. Mix: 22% mob. home, 18% indus., 16% shop. ctr., 15% land; 47% Fla. Financing: \$12M debt is 1.5X \$8M equity. \$1M bank debt to 10/79 at 117% of prime; \$9M Eurodebt extended to 10/81.
EPS: Oct. Jan. Apr. July Year
FY'78 d33c d1.17 d40c +67ca d1.24a
FY'79 27a
a-Asset sales: \$1.01 in '78; 42c in Oct.'78.
(NON-QUAL TRUST; Bldg. mtls. co. adviser)
- 2 -WASHINGTON REIT: \$22.75 (WRE-ASE). Comment: Buy/hold for income, quality assets, condo potential in apts. (Sh: 1518T, Book \$11.41) Intangibles: Deprec. \$6.49. Assets: \$32M, no nonearn. Mix: All property, 98% in Wash. DC area; 54% hi-rise apts, 23% shop. ctrs. Financing: \$16M debt is 0.9X \$17M equity. Debt is \$16M mtgs. + \$0.2M converts. EPS/CFS: Mar. June Sept. Dec. Year
1977 38/44c 1.48/1.55a 38/44 48/55 2.72/2.97
1978 34/38 47/52 38/43
a-Incl. \$1.08 prop. sale gains. Div.: Raised to \$1.88/yr. rate in Dec. (Independent)
- 2 -WELLS FARGO M&E: \$12.75 (WFM-NYSE). Comment: Hold for recovery at 28% below book; 1% prime cuts 3c off qtr.EPS. (Sh: 3919T, Book \$17.60) Intangibles: Loss Res. \$1.42; Deprec. 87c. Assets: \$218M, 4% non- & 17% low-earn; 5% foreclosed. Mix: 40% apts, 13% one-fam. & condo. Financing: \$143M debt is 2.1X \$6.9M equity. Has \$144M open bank lines backing \$126M comc'l. paper rated A-2. Making new commit. EPS: Sept. Dec. Mar. June Year
FY'78 31ca 39ca 30ca 34ca \$1.34a
FY'79 42a 40a
a-Asset sale gains: 24c in '78; 21c in FY/78. Div.: \$1.20/yr. rate. (W.Coast bank adv.)
- 2N-WESTERN MTG: \$3.88 (WMTGS-Bos). Comment: Spec. buy for recovery & benefits of new property. (Sh: 1003T, Book \$7.83). Intangibles: Loss Res. 76c; Deprec. 41c. Assets: \$20M, 20% non- & 7% low-earn. Bought 108T sf shop. ctr. in N.H. Financing: \$12M debt is 1.5X \$7.8M equity. Earnings: Nov. Q 8c after 5c sale gain. (FY Feb., Independent mgmt.)
- 2N-WESTPORT CO: \$2.88 (WSPTS-OTC). Comment: Speculative buy. (Sh: 2388T, Book \$4.57). Converts: Possible tender. Intangibles: Loss Res. \$6.00; Taxloss \$7.16. Assets: \$80M, 48% non- & 16% low-earn; 50% forecl. 16% operating & held for invest. Mix: 7% condos, 22% land, 12% apts., 19% offices. Financing: \$56M debt is 5.6X \$10M equity. \$53M bank debt to 8/79 at 2½-5% or net income w/conting. int. to 8%; Earnings: 27c in Oct.'78 FY w/22c credits. (NON-QUAL; Self-adm.)

REIT TAX STATUS: All trusts listed except those noted qualify as real estate investment trusts and are exempt from Federal income taxes to extent they distribute 90% of income to shareholders. Qualified trusts may use taxloss carryforwards to shelter future profits and rebuild capital. Non-qualified trusts have no dividend distribution requirement. Three stages in transition are shown: VOTING POWER TO END REIT STATUS when a proposal is pending before shareholders to give trustees discretion over whether to continue to qualify; CAN END REIT STATUS, when shareholders have given trustees power to end qualification; and NON-QUAL TRUST, when trustees have ended qualification and the entity operates as a business trust taxed as a corporation. Trustees of these entities generally have made no decision on whether to requalify and investors should not assume they will requalify and pay dividends if and when profits are restored. The 1976 Tax Reform Act restricts requalification.

Technical notes: Net cash flow per share (CFS) is computed by Audit as: Net income plus depreciation and partnership distributions in excess of earnings less mortgage principal payments and remodeling reserves. Intangibles: Depreciation can as a general rule be added to book value to estimate true market value of properties; Loss reserves will normally be spent unless trust recaptures via accelerated dispositions, mainly via asset swaps; Taxloss carryforwards are generally worth 10% to 25% of amounts shown but value varies widely depending upon timing, aggressiveness of management, etc.

Audit Investment and/or its officers & employees hold minor positions in these stocks.